UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For fiscal year ended May 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-36506

PERFORMANCE SPORTS GROUP LTD.

(Exact name of registrant as specified in its charter)

British Columbia, Canada	**Not applicable.**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
100 Domain Drive Exeter, New Hampshire	**03883**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (603) 610-5802

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on which Registered**
Common Shares, no par value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of November 28, 2014, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the registrant was $764.8 million, based on the closing sales price per share as reported by the New York Stock Exchange on such date.

As of the close of business on August 25, 2015, there were 45,552,180 shares of the registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement relating to registrant’s 2015 annual and special meeting of shareholders (the “Proxy Statement”) are incorporated by reference in Part III hereof.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this annual report on Form 10-K about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 and within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). Such statements often include words such as "may," "will," "would," "should," "could," "expects," "plans," "intends," "trends," "indicates," "anticipates," "believes," "estimates," "predicts," "likely," or "potential" or the negative or other variations of these words or other comparable words or phrases.

Discussions containing forward-looking statements may be found, among other places, under "General Development of the Business," "Industry Overview," "Business of the Company," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Certain assumptions with respect to the determination of acquisition accounting, valuation of derivatives, share-based payments, claim liabilities, employee future benefits, income taxes, the impairment of assets, and goodwill and intangibles are material factors made in preparing forward-looking information and management's expectations.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" section of this annual report on Form 10-K: inability to maintain and enhance brands, inability to introduce new and innovative products, intense competition in the sporting equipment and apparel industries, inability to own, enforce, defend and protect intellectual property rights worldwide, costs associated with potential lawsuits to enforce, defend or protect intellectual property rights, inability to protect our known brands and rights to use such brands, infringement of intellectual property rights of others, inability to translate booking orders into realized sales, including risks associated with changes in the mix or timing of orders placed by customers, seasonal fluctuations in our operating results and the trading price of our Common Shares, decrease in popularity of ice hockey, baseball and softball, roller hockey or lacrosse, reduced popularity of the National Hockey League, Major League Baseball or other professional or amateur leagues in sports in which our products are used, adverse publicity of athletes who use our products or the sports in which our products are used, inability to ensure third-party suppliers will meet quality and regulatory standards, reliance on third-party suppliers and manufacturers, disruption of distribution systems, loss of significant customers or suppliers, loss of key customers' business due to customer consolidation, change in the sales mix towards larger customers, cost of raw materials, shipping costs and other cost pressures, risks associated with doing business abroad, inability to expand into international market segments, inability to accurately forecast demand for products, inventory shrinkage, excess inventory due to inaccurate demand forecasts, product liability, warranty and recall claims, inability to successfully design products that satisfy testing protocols and standards established by testing and athletic governing bodies, inability to successfully open and operate Own The Moment Hockey Experience retail stores, inability to successfully implement our strategic initiatives on anticipated timelines, including our profitability improvement initiative, risks associated with our third-party suppliers and manufacturers failing to manufacture products that comply with all applicable laws and regulations, inability to source merchandise profitably in the event new trade restrictions are imposed or existing trade restrictions become more burdensome, departure of senior executives or other key personnel with specialized market knowledge and technical skills, litigation, including certain class action lawsuits, employment or union-related disputes, disruption of information technology systems, including damages from computer viruses, unauthorized access, cyberattack and other security vulnerabilities, potential environmental liabilities, restrictive covenants in our credit facilities, increasing levels of indebtedness, inability to generate sufficient cash to fund operations or service the Company's indebtedness failure to make, integrate, and maintain new acquisitions, inability to realize growth opportunities or cost synergies that are anticipated to result from new acquisitions such as Easton Baseball/Softball, undisclosed liabilities acquired pursuant to recent acquisitions, volatility in the market price for Common Shares, possibility that we will need additional capital in the future, incurrence of additional expenses as a result of the loss of our foreign private issuer status, assertion that the acquisition of the Bauer Hockey Business at the time of the Canadian IPO was an inversion transaction, our current intention not to pay cash dividends, dependence on the performance of subsidiaries given the our status as a holding company, potential inability of investors to enforce judgments against the Company and its directors, fluctuations in the value of certain foreign currencies, including the Canadian dollar, in relation to the U.S. dollar, and other world currencies, general adverse economic and market conditions, changes government regulations, including tax laws and unanticipated tax liabilities and natural disasters and geo-political events. These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully.

The purpose of the forward-looking statements in this annual report on Form 10-K is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements made herein. Unless otherwise stated, the

forward-looking statements contained in this annual report on Form10-K are made as of the date of this annual report on 10-K, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this annual report on Form 10-K are expressly qualified by this cautionary statement.

Part I

Unless otherwise noted or the context requires otherwise, "Performance Sports Group," "PSG," the "Company," "we," "us" and "our" refer to Performance Sports Group Ltd. and its direct and indirect subsidiary entities and predecessors. The Company's fiscal year ends May 31st. Any reference to a fiscal year is to May 31 of the year then ended. All references to "$", "US$", "dollars" or "U.S. dollars" are to United States dollars and references to "Cdn$" and "Canadian dollars" are to Canadian dollars. Amounts are stated in U.S. dollars unless otherwise indicated.

Item 1. BUSINESS

Our Company

CORPORATE STRUCTURE

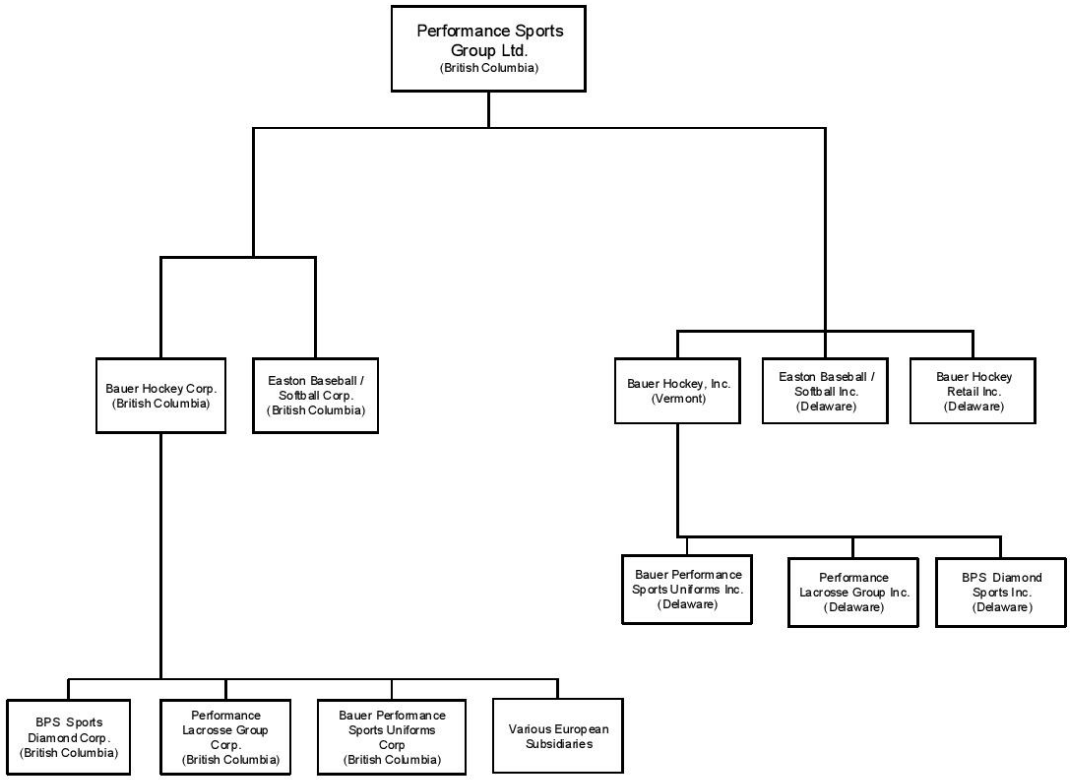
Incorporation and Office

The Company was incorporated under the British Columbia *Business Corporations Act* ("BCBCA") on December 2, 2010, and its corporate name was changed shortly thereafter to Bauer Performance Sports Ltd. On June 17, 2014, the Company changed its corporate name from Bauer Performance Sports Ltd. to Performance Sports Group Ltd. The renaming of the Company was undertaken to better reflect the growth of the Company in connection with its strategic acquisitions and potential expansion into new high performance sports.

The Company's registered office is located at 666 Burrard Street, Suite 1700, Vancouver, British Columbia, V6C 2X8. The Company's headquarters and executive offices are currently located at 100 Domain Drive, Exeter, New Hampshire 03833, United States.

Intercorporate Relationships

The organization chart below describes the intercorporate relationships of our Company and our wholly owned material operating and certain other subsidiaries, together with the jurisdiction of incorporation or constitution of each such subsidiary.



NOTE:
All ownership percentages are 100% unless otherwise indicated. All other amounts are approximate and based on outstanding shares.
"Other" represents other shares owned management.

GENERAL DEVELOPMENT OF THE BUSINESS

History

Headquartered in Exeter, New Hampshire, we are a leading designer, developer and manufacturer of high performance sports equipment and related apparel. Our mission is to elevate performance and protection for athletes at all levels through a combination of athlete insights and superior innovation.

As part of our growth strategy, we have acquired, integrated and significantly accelerated the growth of seven businesses since 2008, completing our most recent acquisition, Easton Baseball/Softball (as defined below), in April 2014. Highlights of our strategic acquisitions since 2012 are described below.

The Easton Baseball/Softball Acquisition

On April 15, 2014, we completed the acquisition of the Easton baseball and softball business and the assets formerly used in Easton-Bell Sports, Inc.'s lacrosse business ("Easton Baseball/Softball") from Easton-Bell Sports, Inc., now named BRG Sports, Inc. ("BRG Sports"), for $330 million in cash, plus a net working capital adjustment of $21.7 million (the "Easton Baseball/Softball Acquisition").

EASTON is one of the world's leading and most iconic diamond sports (baseball and softball) brands with authentic brand equity accumulated over 40 years of designing and manufacturing high performance diamond sports products. Building upon its heritage in bats, EASTON has developed into one of the strongest and most innovative brands in baseball and softball, and holds the No. 1 position in diamond sports in North America with an approximate 27% market share and strong positions in multiple product categories. Easton Baseball/Softball has gained market share through innovative and higher-priced new product lines, an effective go-to-market strategy and significant brand investment.

We acquired Easton Baseball/Softball as part of an ongoing strategy to utilize our proven acquisition platform to expand our business into complementary categories and sports. The acquisition has greatly enhanced our brand portfolio, offers us another significant lever for growth, has added valuable intellectual property (including 130 patents and patents pending) and provides a significant counter-seasonal business to our existing revenue stream and working capital needs. Additionally, our R&D-focused platform allows for cross-pollination of technologies between EASTON and COMBAT, as well as our other sports, and provides the necessary infrastructure to grow the EASTON brand.

The acquisition has provided numerous financial benefits including being accretive to Adjusted EPS within the first year of ownership and generating significant cash flow to support our growth. The spring/summer season of baseball and softball is highly complementary to the fall/winter season of hockey, and our quarterly sources of revenue and profitability are more balanced throughout the year as a result. The more evenly distributed seasonality of the combined business provides more consistent working capital levels and allows us to improve our efficiency in our manufacturing, distribution and other efforts.

As a result of the Easton Baseball/Softball Acquisition, we acquired the EASTON and MAKO brands and trademarks and entered into an intellectual property agreement to license back the use of these trademarks to BRG Sports (and their permitted successors and assigns) for use in their hockey and cycling businesses on an exclusive, perpetual, royalty-free basis. Since our acquisition of Easton Baseball/Softball, BRG Sports sold the Easton Hockey business to private investment firm Chartwell Investments and its cycling business to Chris Tutton, the owner of Race Face Performance Products Inc.

The Company initially financed the Easton Baseball/Softball Acquisition, as well as refinanced certain existing indebtedness, with a $200 million secured asset-based revolving credit facility (the "ABL Facility") and a $450 million secured term loan credit facility (the "New Term Loan Facility" and, together with the "New ABL Facility", collectively, the "Credit Facilities"). On June 25, 2014, the Company completed an underwritten initial public offering on the New York Stock Exchange ("NYSE") and a new issue of common shares of the Company ("Common Shares") in Canada for net proceeds of approximately $119.5 million (the "U.S. IPO"), including the exercise in full of the over-allotment option. The Company used the net proceeds of the U.S. IPO to reduce leverage and repay approximately $119.5 million of the Company's New Term Loan Facility.

The Combat Acquisition

On May 6, 2013, we completed the acquisition of substantially all of the assets of Combat Sports ("Combat Sports" and, such acquisition, the "Combat Acquisition") for an aggregate purchase price of approximately Cdn$4 million in cash. The acquisition of Combat Sports was funded from cash on hand.

From 1998 through its acquisition by the Company, Combat Sports had been supplying composite and hybrid composite products for both its own COMBAT brand as well as for high-end brand name companies in the baseball and softball bat, hockey stick and lacrosse shaft markets. Since the acquisition, Combat Sports has focused solely upon the baseball and softball bat market, as well as related apparel. The business has developed a reputation for its premier and innovative composite technology, with the latest composite advancements in performance and durability serving players from the grassroots level to the elite professional levels. Combat Sports and several of its key employees have a long history of expertise in composite materials, including developing innovative products for NASA, the U.S. military and several leading manufacturers. By continuing to focus resources in the areas of Combat Sports' success - baseball, softball and advanced composite technologies - we expect to further strengthen the COMBAT brand and grow our overall portfolio of high-performing products.

The Inaria Acquisition

On October 16, 2012, we completed the acquisition of Inaria International Inc. ("Inaria" and, such acquisition, the "Inaria Acquisition"). The Company entered into a purchase agreement with Inaria and its shareholders, pursuant to which we purchased substantially all of the assets of Inaria for an aggregate purchase price of approximately Cdn$7 million in cash. The Company used its former credit facility to fund the Inaria Acquisition.

Inaria, a Toronto-based company named after the Italian soccer phrase "in the area", was founded in 1999 and began its business with a focus on soccer uniforms and products. INARIA has since become a growing brand in the team sports and active wear industry, providing a full-line of team apparel products, including pro-style jerseys, practice jerseys, socks, warm-up suits and training apparel for both youth sports programs and the most elite-level teams.

The company's expertise in developing quality products with competitive pricing and rapid turnaround time quickly propelled INARIA into ice hockey and other sports. The Inaria Acquisition strengthened our position in team apparel, establishing Performance Sports Group as a reliable and competitive supplier in this growing segment of the market.

The Cascade Acquisition

On June 29, 2012, we completed the acquisition of Cascade Helmets Holdings, Inc. ("Cascade" and, such acquisition, the "Cascade Acquisition"). The Company entered into a purchase agreement with Cascade and its shareholders, pursuant to which we purchased all of the outstanding shares of Cascade for an aggregate purchase price of $64 million in cash subject to adjustment.

In order to fund the Cascade Acquisition, the Company (i) completed a public offering of 3,691,500 Common Shares at a price of Cdn$7.80 per share, including the exercise in full of the over-allotment option, for gross proceeds of approximately Cdn$28.7 million; (ii) completed a concurrent private placement of the equivalent of 642,000 Common Shares at the same price as those sold under the public offering, for gross and net proceeds of approximately Cdn$5.0 million; and (iii) entered into amendments to its former credit facilities.

The Cascade Acquisition significantly expanded our presence in the growing lacrosse market, through the addition of an industry-leading brand whose helmet and headgear products have been complementary to our existing offering of lacrosse equipment products under the MAVERIK brand.

INDUSTRY OVERVIEW

Sporting Goods Industries

We design, develop, manufacture and sell performance sports equipment and related apparel for ice hockey and roller hockey, baseball and softball, lacrosse and soccer.

We operate in the global sporting goods industry with a primary focus on North America and Europe. We believe this global industry is growing, including in the United States where, from 2009 to 2014, manufacturers' wholesale sales of sporting goods increased from $48.3 billion in 2009 to $56.9 billion in 2014, representing a compound annual growth rate of 2.8%.

A Large and Growing Addressable Market

Within the sporting goods industry, we currently target an approximately $3.3 billion directly addressable market with attractive growth rates across multiple team sports, consisting of approximately $2 billion in equipment wholesale sales and approximately $1.2 billion in apparel wholesale sales. The growing size of team sports and the improving U.S. macroeconomic

outlook serve as a strong tailwind for our growth. The anticipated annual percentage growth in each of our sports categories is as follows:

Sport/Category	Anticipated Annual Percentage Growth of Industry
Hockey equipment *(Global)*	Low-Single-Digit to Mid-Single Digit
Hockey apparel *(Global)*	Mid-Single-Digit to High-Single-Digit
Baseball/Softball equipment *(Global)*	Low-Single-Digit
Baseball/Softball apparel *(Global)*	Low-Single-Digit
Lacrosse equipment *(U.S., Canada)*	Mid-Single-Digit to High-Single-Digit
Lacrosse apparel *(U.S., Canada)*	Mid-Single-Digit to High-Single-Digit
Soccer team apparel *(U.S., Canada)*	Low-Single-Digit to Mid-Single Digit

Source: Management estimates.

Our addressable market features attractive category fundamentals, including frequent replacement cycles and innovation-driven rising average selling prices.

Ice Hockey

Ice Hockey Participation Rates and Demographics

Ice hockey is a team sport played in over 80 countries by more than an estimated six million people. While ice hockey is played around the world, the largest and most significant markets for ice hockey are Canada, the United States and a number of European countries, including the Nordic countries (principally, Sweden and Finland), Central European countries (principally, the Czech Republic, Germany, Switzerland, Austria and Slovakia) and Eastern European countries (principally, Russia).

According to the International Ice Hockey Federation's ("IIHF") 2014 survey of players, there are approximately 1.8 million registered players in the world, up from 1.6 million registered players in 2013, an increase of 12.5%. According to the IIHF, in the past five years, registered players have grown 20%, from 1.5 million players in 2010 to 1.8 million in 2014. In addition to registered players, management estimates another 4 million unregistered players globally, creating a total of approximately 6 million hockey players.

There are 533,172 registered players in the United States, according to USA Hockey's 2014-15 Season Report, up from 519,417 in 2014, a 2.6% increase. In the past five years, registered players in the U.S. have increased 6.5% (500,579 in 2011 to 533,172 in 2015).

In Canada, there were 634,892 registered players in 2014, according to Hockey Canada's 2014 Annual Report, representing a 1.6% increase from 625,152 players in 2013. In the past five years, registered players in Canada have increased 10.0% (577,077 in 2010 to 634,892 in 2014).

According to IIHF membership data, 63% of hockey players globally are under the age of 20. Due to this younger demographic, there is a need to purchase new equipment more frequently as these young participants grow.

Ice Hockey Equipment and Related Apparel Industry

Management estimates that the global ice hockey wholesale equipment market is approximately $670 million and the global ice hockey apparel market (including licensed apparel) is approximately $390 million.

The global ice hockey equipment and related apparel industry has significant barriers to entry and is stable in certain regions and growing in others, such as the United States and Eastern Europe. Russia had experienced significant growth prior to calendar 2015 but has entered a period of instability due to macroeconomic conditions in the region. Ice hockey equipment and related apparel sales are driven primarily by global ice hockey participation rates (registered and unregistered). Other drivers of equipment sales include demand creation efforts, the introduction of innovative products, a shorter product replacement cycle,

general macroeconomic conditions and the level of consumer discretionary spending. Skates and sticks are the largest contributors to equipment sales, accounting for an estimated 60% of industry sales in calendar 2014, according to management estimates.

Management estimates that 90% of the ice hockey equipment market is attributable to three major competitors: Bauer Hockey, Reebok International Ltd. ("Reebok"), a subsidiary of adidas AG, which owns both the REEBOK and CCM brands, and Easton Hockey (which is owned by private investment firm Chartwell Investments and utilizes the EASTON brand under a trademark license from the Company), each of whom offers consumers a full range of products (skates, sticks and full protective equipment). The remaining equipment market is highly fragmented among many smaller equipment manufacturers that offer specific products, catering to niche segments within the broader market.

The following table shows our estimated ranking of the three major competitors referenced above, in total and by major product category:

Company	Total Market	Skates	Sticks	Helmets	Protective	Goalie
BAUER	**#1**	**#1**	**#1**	**#1**	**#1**	**#2**
REEBOK/CCM	#2	#2	#2	#2	#2	#1
EASTON	#3	#3	#3	#3	#3	n/a

Licensed apparel is included in the ice hockey-related apparel market and represents approximately one-third of the market. The related apparel market is more fragmented than the equipment market and includes a variety of larger and smaller participants. We expect consolidation in this market to occur in the coming years, in a manner similar to what has occurred in the ice hockey equipment industry.

Roller Hockey

Roller Hockey Participation Rates and Demographics

Roller hockey is a team sport played principally in the United States, particularly in warmer regions such as California. According to a 2015 Sports and Fitness Industry Association ("SFIA") report, total U.S. participation in roller hockey was approximately 1.8 million in 2014, up 33.3% over 1.3 million players in 2013. In the past five years, roller hockey has grown 26.3%, from 1.4 million participants in 2010 to 1.8 million in 2014.

Roller Hockey Equipment and Related Apparel Industry

The roller hockey equipment and related apparel industry shares similar characteristics to the ice hockey equipment and related apparel industry given the similarity of the sports. Management estimates that the wholesale roller hockey equipment market generated approximately $20 million in sales in calendar 2014. Through our Company's MISSION and BAUER brands, we hold the No. 1 and No. 2 market share positions in the roller hockey equipment market, respectively, and have a substantial lead over our primary competitors, including Reebok, Tour and a few competitors in niche categories, such as wheels and accessories.

Street Hockey

Street Hockey Participation Rates and Demographics

Street hockey is a team sport played throughout the world, primarily in the largest ice hockey markets. According to management estimates and industry sources, there are approximately 93,000 registered players in Canada, approximately 48,000 registered players in the United States, and approximately 50,000 registered players in the rest of the world. Youth players represent approximately 50% of the registered participants. Management believes that registered participation represents only a small portion of the overall consumer base for street hockey products and that unregistered participants far exceed registered participants in number.

Street Hockey Equipment Industry

The street hockey equipment industry shares similar characteristics to the ice hockey equipment and related apparel industry given the similarity of the sports. Management estimates that the wholesale street hockey equipment market generated

approximately $25 million in sales in calendar 2014. The Company entered the street hockey market with a full line of street hockey equipment and accessories in April 2015 under the BAUER brand.

Baseball and Softball

Baseball and Softball Participation Rates and Demographics

Baseball and softball are team sports played principally in the United States, Japan, certain other Asian countries (such as South Korea), and Latin America. Global baseball/softball participation is estimated to be approximately 65 million, according to the World Baseball Softball Confederation. Baseball remains one of the most popular team sports by participation in the United States, second only to basketball, according to SFIA.

According to SFIA, total baseball and softball (fast pitch and slow pitch) participation in the U.S was 22.7 million in 2014, equal to the overall participation rate in 2013. In the past five years, overall participation in baseball and softball has decreased by a total of 9.9%, from 25.2 million participants in 2010 to 22.7 million in 2014.

While participation for baseball and softball in the United States has remained flat or decreased, the market continues to grow as innovation, particularly in bats, has driven rising prices.

Baseball and Softball Equipment and Related Apparel Industry

Management estimates that, in calendar 2014, the global baseball and softball wholesale equipment market was approximately $1.2 billion, while the global baseball and softball wholesale apparel market (excluding footwear) was estimated to be approximately $560 million. North America provides the largest portion of the global wholesale market, with an estimated $700 million equipment market and a $430 million apparel market (not including footwear).

With approximately 65 million participants globally, we believe the enthusiast base in these sports will experience continued growth, driven by the increasing popularity of travel ball, club baseball and softball, and more frequent play.

The baseball and softball equipment market is fragmented and is currently led by five major brands: our EASTON brand, MIZUNO, Jarden-owned RAWLINGS, and Amer Sports-owned WILSON and LOUISVILLE SLUGGER. Similar to Easton Baseball/Softball, our major competitors offer a full line of baseball and softball products and varying degrees of related apparel. In total, we compete with over a dozen brands in the baseball and softball equipment market, including, in addition to those above, Amer Sports-owned DEMARINI, MARUCCI, Jarden-owned MIKEN and WORTH, NOKONA, ZETT and SSK. In addition, NIKE and UNDER ARMOUR also are competitive brands in specific categories such as batting gloves.

The following table shows our estimated ranking in North America of the five major brands referenced above, in total and by major product category:

Company	Total Market	Bats	Batting Helmets	Catcher Protective	Equipment Bags	Batting Gloves	Apparel w/o Uniform	Accessories	Ball Gloves
EASTON	**#1**	**#1**	**#1**	**#2**	**#1**	**#3**	**#4**	**#3**	**#6**
WILSON/ DEMARINI	#2	#2	n/a	#6	#5	n/a	#7	n/a	#2
RAWLINGS/ WORTH	#3	#3	#2	#3	#6	#6	#2	#5	#1
MIZUNO	#4	n/a	#4	#4	n/a	#5	#5	n/a	#3
LOUISVILLE SLUGGER	#5	#4	n/a	n/a	#4	n/a	n/a	n/a	#4

Lacrosse

Lacrosse Participation Rates and Demographics

Lacrosse is a team sport played principally in the United States and Canada. Management estimates that the total global participation is approximately 900,000. According to U.S. Lacrosse, there were 772,772 registered players in the United States in

2014, up 3.5% from 2013 (746,859). In the past five years, registered players in the U.S. grew 23.7%, from 624,593 players in 2010 to 772,772 in 2014. In Canada, we estimate that there are approximately 100,000 participants.

The drivers of this growth included: (i) the establishment and popularity of the National Lacrosse League and Major League Lacrosse, (ii) the rapid expansion of high school and youth programs, (iii) emerging growth outside of key lacrosse markets in the Mid-Atlantic and Northeastern United States, (iv) enhanced funding and popularity of the National Collegiate Athletic Association (the "NCAA") lacrosse programs, and (v) increased visibility of the sport in media and advertising.

Approximately 93% of lacrosse participants in the United States are under the age of 20, with 55% of participants in the youth (15 and under) category and 38% of participants in the high school category. Similar to ice hockey, the high representation of youth in the sport provides the industry with a more frequent product replacement cycle, as these young players outgrow their equipment.

Lacrosse Equipment and Related Apparel Industry

Management estimates that, in calendar 2014, the global lacrosse equipment market was approximately $120 million, with the United States accounting for approximately $110 million while the Canadian market was estimated to be approximately $10 million in size. Management estimates that the wholesale market for lacrosse apparel (including team) is approximately $40 million in size.

Management estimates that the lacrosse market will continue to grow in the range of mid-single digits to high-single digits for the next several years. The lacrosse equipment market is made up of four primary equipment categories: sticks (shafts and heads), gloves, helmets and protective equipment. Sticks currently make up the largest segment of the lacrosse equipment market, representing approximately 35% of calendar 2014 industry-wide United States sales. Helmets currently make up approximately 20% of calendar 2014 industry-wide United States sales.

The North American lacrosse equipment and related apparel market is a high growth, emerging sports equipment market underpinned by strong growth in participation rates. The lacrosse equipment market is currently led by six major brands: New Balance-owned WARRIOR and BRINE, our MAVERIK and CASCADE brands, STX, and Jarden-owned DEBEER (women's only). The Company's three major competitors all offer full lines of lacrosse equipment products, while Cascade's product offering is primarily focused on helmets.

The following table shows our estimated ranking in North America of our four major competitor brands, in total sales:

	WARRIOR / BRINE	MAVERIK / CASCADE	STX	DEBEER LACROSSE
Market Position	#1	#2	#3	#4

Team Apparel Industry

Team apparel and uniforms make up a large and growing market characterized by high fragmentation and competition, which provides significant competitive advantages to companies that can offer a one-stop shopping experience for high-quality products and a unified look (equipment and apparel) under authentic brands.

Management estimates that the overall non-footwear apparel market (including team, performance and lifestyle) in the sports markets we address is approximately $1.2 billion in size (Hockey - $390 million, Baseball/Softball - $560 million, Lacrosse - $40 million, Soccer - $300 million (team uniforms in Canada and the United States)).

BUSINESS OF THE COMPANY

Our Company

Headquartered in Exeter, New Hampshire, we are a leading designer, developer and manufacturer of high performance sports equipment and related apparel. Our mission is to elevate performance and protection for athletes at all levels through a combination of athlete insights and superior innovation. Our model is simple. We combine authentic brands and sport-specific employee expertise with our platform strengths, particularly our high performing R&D and game changing product creation processes, to annually grow our overall revenue, market share and profitability. On a constant currency basis, we strive to grow our revenues each year faster than the total market for each of our sports and to grow our profitability faster than revenues, both

as measured excluding the year-over-year impact of foreign exchange.

Our products are marketed under the BAUER (ice and roller hockey), MISSION (roller hockey), MAVERIK (lacrosse), CASCADE (lacrosse), INARIA (soccer apparel), EASTON (baseball and softball) and COMBAT (baseball and softball) brand names and are sold by sales representatives and independent distributors throughout the world. Our brands have a rich history of innovation, authenticity and market leadership, with the BAUER and EASTON brands dating back to 1927 and 1922, respectively.

In recent years, we have experienced strong revenue and profit growth through innovation, product development, marketing and acquisitions that have driven market share gains in all of our sports. Our scale, strong distribution and manufacturing relationships, disciplined cost management and sourcing strategies have enabled us to maintain consistent and attractive Adjusted EBITDA margins and to compete successfully. Our annual revenues have grown from $219.5 million in Fiscal 2008 to $654.7 million in Fiscal 2015, representing a compound annual growth rate of 16.9%; Adjusted EBITDA has grown from $22.9 million in Fiscal 2008 to $98.3 million in Fiscal 2015, representing a compound annual growth rate of 23.1%; and Adjusted EPS has grown from $0.15 in Fiscal 2010 to $1.02 in Fiscal 2015, representing a compound annual growth rate of 45.5% (we did not report Adjusted EPS prior to Fiscal 2010). Our Adjusted EBITDA, together with our relatively low level of capital expenditures and certain tax attributes, allow us to generate predictable and significant cash flows to invest in R&D, pursue acquisitions and other growth initiatives, and reduce our indebtedness.

As part of our growth strategy, we have acquired, integrated and significantly accelerated the growth of seven businesses since 2008, completing our most recent acquisition, Easton Baseball/Softball, in April 2014.

Our Core Businesses

We have the most recognized and strongest brands in ice hockey, roller hockey, baseball and softball, and hold top market share positions in these sports, with an expanding presence in the fast-growing lacrosse market. Our mission is to elevate player performance and protection at all levels through a combination of athlete insights and superior innovation.

Hockey and Related Apparel

We offer a complete line of head-to-toe performance-driven equipment under the BAUER and MISSION brands for players in every major ice and roller hockey market in the world. Our equipment offerings include skates, sticks, protective equipment, helmets and goalie equipment for ice hockey, roller hockey and street hockey.

We drive market share growth by introducing new products with performance improvements each year in most of our equipment categories, alternating three sub-brands of products for ice hockey, the VAPOR, SUPREME and NEXUS lines. Through this strategy, we have grown sales by creating excitement and dialogue at the retail level with retailers and consumers and maintaining a significant advantage over competitors who introduce new products less frequently.

In addition to equipment, we offer a full assortment of hockey apparel, including team apparel and uniforms, performance apparel and lifestyle apparel. While the hockey apparel industry is highly fragmented with several niche brands, our ability to offer a reliable and competitive apparel experience combined with access to our leading equipment creates a unique opportunity for team business.

BAUER holds the No. 1 market share position in ice hockey equipment with approximately 56% overall market share. MISSION and BAUER combined have the No. 1 market share position in roller hockey equipment at approximately 70%.

Baseball/Softball and Related Apparel

With the EASTON and COMBAT brands, we offer a broad line of baseball and softball equipment for all ages and levels of play. Our equipment and accessories (bats, gloves, protective equipment and apparel) for athletes and enthusiasts serve the professional, inter-scholastic, and recreational levels of the diamond sports market across a variety of price points.

EASTON is one of the world's leading and most iconic diamond sports brands with authentic brand equity accumulated over 40 years of designing and manufacturing high performance diamond sports products. Building upon its heritage in bats, EASTON has developed into one of the strongest and most innovative brands in baseball and softball, and holds the No. 1 position in diamond sports in North America, with an approximately 27% market share and strong positions in multiple product categories.

As we have done with prior acquisitions, we have utilized our platform to accelerate Easton Baseball/Softball's growth and look to increase market share in every category of baseball and softball equipment both domestically and internationally, and

to expand EASTON's presence in apparel.

COMBAT's proprietary bat manufacturing process has created a unique bat technology that has a loyal following. COMBAT's patented technology, combined with its unique connection to the sport and its emphasis on grassroots marketing has elevated the COMBAT brand at all levels.

Both EASTON and COMBAT offer a wide variety of baseball/softball specific apparel and we expect to expand both brands' apparel offering to include uniforms.

Lacrosse and Related Apparel

With our MAVERIK and CASCADE brands, we offer a comprehensive line of lacrosse equipment for all skill levels and hold approximately a 28% market share.

Through the MAVERIK brand, we offer a full line of gloves, heads, shafts and protective equipment, as well as a women's specific line of product, for players of all ages. MAVERIK, founded in 2005 and acquired by the Company in 2010, continues to expand its brand presence, with five MAVERIK teams participating in the 16-team 2015 NCAA Division I tournament, including No. 1 overall seed Notre Dame.

CASCADE has been a pioneer in head protection since 1986 and is the No. 1 brand in lacrosse head protection with 90% market share. Since 1995, 16 NCAA champions have worn CASCADE helmets. CASCADE provides a wide variety of helmets for all ages, as well as several options for eye protection for the female player. In addition, CASCADE offers a 48-hour turnaround time for customer helmets.

In addition to equipment, CASCADE and MAVERIK design and manufacture accessories and related apparel, including performance apparel and lifestyle apparel.

Soccer Apparel

INARIA designs and manufactures a full-line of soccer apparel, including pro-style jerseys, practice jerseys, socks, warm-up suits and training apparel. The company offers full finishing, embellishment and unique customization services at its Canadian headquarters.

INARIA has recently elevated its brand at the youth, college and professional soccer levels through a variety of sponsorships and partnerships. INARIA is a sponsor of Schwan's USA Cup, one of the world's largest youth soccer tournaments, and recently signed professional team Minnesota United FC as the team's official uniform provider. In addition, INARIA has also signed several NCAA Division I programs, including Cornell University and Colgate University.

Our Core Strengths

We believe the following strengths are integral to enhancing our leadership position and market share in all product categories in all our sports:

Strong and Authentic Brands in Attractive Markets

We have the No. 1 brands in the ice hockey, roller hockey and North American diamond sports (baseball and softball) equipment industries through the BAUER, MISSION and EASTON brands, respectively. BAUER is the most recognized and strongest brand in ice hockey with an estimated 56% overall worldwide market share. MISSION and BAUER combined are the leading brands in roller hockey with an estimated 70% market share. EASTON is one of the most iconic diamond sports brand with the No. 1 market share in North America, estimated at 27%. Easton Baseball/Softball has an opportunity to meaningfully increase its market share by growing its core bats category and expanding its position in several other large and profitable diamond sports categories where it is underpenetrated today. In the lacrosse category, our MAVERIK and CASCADE brands combined have an estimated 28% market share, with our CASCADE brand continuing to be the leading helmet provider with an estimated 90% market share. Through continued rapid growth of our CASCADE and MAVERIK brands, we aim to become the market leader in the lacrosse market by 2016. Our market leadership within each sport extends across multiple product categories through a full product suite that addresses our consumers' needs for high performance equipment and apparel for players of all ages.

We believe the strong brand recognition and consumer loyalty for our brands is the result of regularly bringing to market innovative, top quality equipment with superior performance, our "true to the game" authenticity, and consistent and effective

brand communication. Our brand recognition in every sport creates significant barriers to entry in our markets, as many consumers believe that brands with heritage and authenticity will provide the best products to improve their game. This belief is reinforced by the numerous professional and elite-level athletes who utilize our products and who thereby create a halo effect that influences our broader group of consumers. These elite athletes include the 75% of National Hockey League ("NHL") players who wore BAUER skates last season, 40 of the last 48 NCAA Division I lacrosse national championship finalist teams who wore CASCADE helmets, and 17 EASTON teams competing in the 2015 College World Series.

Our brands and their broad product offerings address an attractive, highly popular team sports market that is estimated at approximately $3.3 billion. Despite modest participation growth in these sports, these markets exhibit strong dollar value growth due to positive underlying fundamentals. There are attractive purchasing patterns in the markets we service. A short replacement cycle is driven by our core youth consumers regularly outgrowing their equipment and parents wanting to provide their children with the highest performing products. Additionally, we deliver products to market using short innovation-led product cycles that ensure a relentless flow of the latest technologies are available for consumers. Consistent innovation that improves the quality and performance of our products also allows us to raise average selling prices, further underpinning growth in the size of our markets.

Integrated Performance Sports Platform

We have achieved our leadership position and growth by leveraging our world-class performance sports products platform. Customer-facing, consumer-facing and product development functions are managed individually by sport and by category within each sport. Back-end functions and certain R&D activities are shared across sports to drive operational synergies and efficiency. This integrated platform is supported by authentic brands, deep consumer insights, significant R&D investments, and strong intellectual property. We originally developed this organizational structure to promote and support the rapid growth of our ice hockey equipment business but have also used it to successfully integrate and significantly grow the new performance equipment and apparel categories and sports markets we have entered through our recent acquisitions.

Each of our businesses maintains dedicated management, sales, marketing, product development and R&D teams, while leveraging highly scalable and shared resources such as sourcing & manufacturing, distribution & logistics, advanced R&D, information technology, human resources, finance and legal. These distinct units within each business often collaborate with their counterparts across the Company. This approach ensures we benefit from our scale and capitalize on opportunities to apply key advances across our platform without compromising the functions that support our strong consumer connections, "true to the game" authenticity, high performance products and well-established retailer relationships.

Our category management structure allows us to drive growth opportunities in every sport by deploying a multi-disciplinary approach to product development. We have a strong product development process that allows us to share best practices and innovation across the Company. These resources are both scalable and shareable across sports and categories. We believe this collaborative approach to product development yields superior results and products.

Industry-Leading R&D and Innovation

We believe our development capabilities and intellectual property portfolio provide us with a strategic competitive advantage by allowing us to create advanced products, drive new purchases and create barriers to entry. Our intellectual property portfolio includes 638 patents (including design patents and patents pending).

Our mission is to elevate player performance and protection at all levels by combining athlete insights with superior innovation. To achieve this we have consistently invested in R&D, spending on average, from Fiscal 2009 to Fiscal 2015, approximately 4.0% of our annual revenues on R&D ($24.2 million in Fiscal 2015, $18.5 million in Fiscal 2014 and $16.1 million in Fiscal 2013). Few of our competitors can match this level of investment due to their lack of scale or their concentration on a single sport. We employ a passionate and committed team of more than 75 designers, developers, engineers and technicians, who work closely with our scientific and research partners, including McGill University, the University of Pittsburgh Medical Center, the Composites Innovation Center and the University of Bath. This team has a world-class reputation and leads the sporting goods industry by continuously bringing to market innovative, often revolutionary, top-quality equipment with superior performance that is trusted by players of all skill levels.

We have a disciplined, rolling, multi-year product development program through which we bring hundreds of new products to market across all of our sports in an organized and efficient manner every year. We introduce new products on a regular basis, with the timing of new product launches typically driven by one- to five-year product life cycles, depending on the sport and the product category.

Diversified and Balanced Business Model

We have built a balanced business model that provides a consistent flow of revenue across several product categories, sports seasons, and geographies. Hockey represents approximately 60% of our sales, with baseball and softball accounting for approximately 30% of sales and other sports contributing the remainder. Within each sport, we maintain a broad product offering across all major equipment categories, with an increasing team and related-apparel offering.

As illustrated below, the majority of sales for the spring/summer season of baseball and softball are shipped December through March, a perfect complement to ice hockey, where the majority of sales are shipped May through October. We believe this diversified model generates more consistent cash flow to allow us to invest in other growth opportunities and/or pay down our debt more evenly each year. The complementary seasonality of ice hockey and diamond sports offers us incremental benefits in physical distribution, raw material purchasing and internal manufacturing, and allows for the most efficient utilization of our third-party manufacturing partners' annual production capacity.

Fiscal 2015 Revenue by Quarter

Source: Management estimates.

The Company has a global sales and distribution network in over 60 countries to service a broad and diverse customer base. We sell to more than 5,000 retailers in Canada, the United States, Scandinavia and Finland, and more than 60 distributors in other international markets. The majority of our sales are to independent or specialty retailers, such as Pure Hockey, Monkey Sports, Pro Hockey Life, Total Hockey, and Lacrosse Unlimited. As a result we have relatively low customer concentration, as evidenced by the fact that our largest customer, Canadian Tire Corporation, Limited, represents only approximately 10% of the Company's sales. The specialty channel offers us numerous attractive qualities, including higher margins, a focus on higher performance products, superior levels of customer service that drive customer engagement with our brand, a more diversified customer base and higher barriers to entry for new brands due to the fragmented nature of the channel and the associated investment to properly service it.

Our sales are diversified geographically, with increased geographic sales concentration in the United States as a result of our acquisition of Easton Baseball/Softball. In Fiscal 2015, approximately 42% of our total sales were in the United States, approximately 33% were in Canada, and approximately 25% were in the rest of the world.

Proven Acquisition Platform

We have a proven capability to identify, acquire, integrate and rapidly grow complementary businesses. We believe that our integrated performance sports platform and scale enable us to materially enhance the synergy potential and success of an acquisition by leveraging our industry-leading R&D expertise, customer relationships, marketing resources and low-cost manufacturing.

Since September 2008, as part of our growth strategy, we have acquired, integrated and significantly accelerated the growth of seven businesses, completing our latest Easton Baseball/Softball in April 2014. Building upon our base with Bauer Hockey, we acquired Mission-ITECH Hockey Inc. ("MISSION") in September 2008, the leader in roller hockey and at the time the fourth largest ice hockey company; entered the performance apparel market through the acquisition of certain intellectual property assets from Jock Plus Hockey Inc. in November 2009; secured a lacrosse platform brand with our acquisition of Maverik Lacrosse LLC ("Maverik" and, such acquisition the "Maverik Acquisition") in June 2010; complemented Maverik with the

acquisition of Cascade, the industry-leader in lacrosse helmets, in June 2012; acquired Inaria in October 2012 to provide the capability to support all of our existing sports with team and performance apparel and enter the youth soccer apparel market; entered the diamond sports market through the acquisition of specialty bat manufacturer Combat Sports in May 2013; and gained the market-leading position in the North American baseball and softball market through the Easton Baseball/Softball Acquisition in April 2014.

As we expand our performance sports platform, we remain focused on valuation, maintaining prudent debt levels and acquiring only those brands and businesses that allow us to drive significant organic revenue, market share and earnings growth. We also maintain the discipline to forgo other acquisition opportunities that do not meet our criteria.

Seasoned Management Team

We are led by an experienced and committed management team with a successful track record of developing and marketing innovative products, integrating strategic acquisitions, and implementing successful growth strategies that continually outperform the respective market in which we compete. Under their leadership, we have expanded our market share in hockey, sourced and integrated seven acquisitions since September 2008, and dramatically increased sales and earnings.

Led by Kevin Davis, Chief Executive Officer ("CEO"), who has been with the Company for more than 13 years and Amir Rosenthal, President, PSG Brands, and Chief Financial Officer ("CFO") who has been with the Company for more than seven years, the senior management team has an average of more than 20 years' experience in the sporting goods and consumer product industries, including with Nike, Procter & Gamble, Newell Rubbermaid, Unilever, Cleveland Golf and the Boston Bruins. On a company-wide basis, our dedicated and passionate employees have been with the Company for an average of more than eight years, which we believe represents a strong commitment to the Company and an enthusiasm for our sports categories.

Growth Strategies

Significantly Grow Market Share in Baseball and Softball

The Easton Baseball/Softball business provides us with significant opportunities to build on the brand's strong foundation to further drive revenue growth opportunities in the United States and internationally. We believe EASTON's brand equity well positions us to expand in other diamond sports equipment categories that have historically been less of a focus for the business, such as ball gloves, accessories, batting gloves and apparel. We expect to increase Easton Baseball/Softball's market share in diamond sports equipment by accelerating investment in product development, instilling category management resources and enhancing already strong connections with consumers. We also believe we can leverage our team apparel capabilities to add uniforms to Easton Baseball/Softball's apparel business, further increasing its revenue growth potential. Another area of revenue growth opportunity is the expansion of EASTON's presence internationally, particularly in Japan, the second largest baseball market globally.

We also intend to use the COMBAT brand, its dedicated and passionate team and its intellectual property assets to grow our diamond sports business. We believe COMBAT will continue its rapid growth in bats through an expansion of marketing and grass roots initiatives and by leveraging our unique and proprietary technologies. COMBAT has significant experience embodied in trade secrets and know how related to prototyping and manufacturing advanced composite sporting goods and other products using proprietary software, formulations, seamless construction and precision molding processes. This knowledge enables advanced composite products to be manufactured with greater quality and efficiency, and provides a significant competitive advantage over existing and potential competitors.

Continue to Grow in Hockey

BAUER is the most recognized brand in ice hockey equipment and has been synonymous with the sport itself for more than 85 years. We believe that this strong brand recognition is the result of consistent brand communication, our "true to the game" authenticity, and regularly delivering to market innovative top-quality equipment with superior performance. We have the leading market share in the overall ice hockey equipment market, with an estimated 56% market share in Fiscal 2015.

As the result of our continued focus on category management, product development and consistent innovation, we have increased our ice hockey market share substantially from approximately 35% in 2007 and hold the No. 1 market share position in each of our ice and roller hockey equipment categories, with the exception of goalie equipment for which we now hold the No. 2 market share position. For Fiscal 2015, we estimate that we had more than a 70% market share in ice hockey skates, 65% in helmets and protective, 45% in sticks and 35% in goalie.

While we are already the leading player in ice hockey, we believe there is still a substantial opportunity to increase our market share. We intend to expand our market share in all categories, and are particularly focused on categories where we have a leading but less than 65% market share, such as sticks, the largest ice hockey product category. Historically, we have driven market share growth by introducing new products with performance improvements each year, and we intend to continue leveraging our world-class R&D and product development platform to develop high performance and innovative products that advance player performance and protection and distinguish us from our competitors.

In addition, we are utilizing Bauer Hockey's unique position in the market to develop partnerships and initiatives to drive hockey participation growth across the world. In October 2012, Bauer Hockey, in partnership with the Canadian Hockey Association ("Hockey Canada"), launched "Grow the Game", a multi-faceted global initiative to add one million new players globally to the game of hockey by 2022 (double the recent industry growth rate) and increase player safety. The first round of pilot programs for the "First Shift" program launched in Canada in 2014 and included innovations such as reducing the length of seasons, parent outreach and education, and cost reduction initiatives. In the past year, we have expanded the program across Canada and are working with USA Hockey, Inc. ("USA Hockey") to launch a similar program in the United States. Based on our success in hockey, we see an additional opportunity to launch similar initiatives in other sports.

Bauer Hockey also opened its first ever Own The Moment Hockey Experience in the Boston suburb of Burlington, Massachusetts and plans to open a total of 8-10 retail stores in key North American hockey markets, including Bloomington, Minnesota in the Fall of calendar year 2015. A transformative and historic initiative for Bauer Hockey, these premium retail experiences are expected to elevate the BAUER brand, deliver an unmatched consumer educational experience and serve as the ultimate BAUER brand and product showcase.

Built to inform and inspire hockey players, each Own The Moment Hockey Experience will have expertly trained associates to guide each consumer through a "fit, learn and experience" process. The process includes understanding the player's needs, a customized fit based on the athlete's style of play and the opportunity to try-before-you-buy on an indoor ice rink that will be housed inside the Own The Moment Hockey Experience. The in-store fitting protocol and experience will be personalized for the entire hockey community, including players of all ages and abilities. Every Own The Moment Hockey Experience will have dedicated areas for each product category as well as specific areas to easily educate new-to-hockey families and welcome them to the sport.

Equipped with advanced fitting protocols and unique in-store educational tools, the Company plans to continually test various retail strategies and share the findings with its authorized retail partners throughout the world to improve the consumer experience at every retail destination and further elevate the BAUER brand. In addition to sharing overall strategies, each Own The Moment Hockey Experience will serve as a training site for local retailer staff to learn the latest information about BAUER equipment.

The Company expects its retail operations to grow its overall business and be profitable in the next 12 to 16 months.

Grow Apparel Across All Sports

Our ice hockey, roller hockey, lacrosse and diamond sports authentic brands and product offerings provide us with an opportunity to develop and sell a comprehensive line of related apparel and accessories, including team performance and lifestyle apparel. Drawing on our experience in ice hockey, where we have successfully grown our apparel revenues at a 33% compound annual growth rate from Fiscal 2009 to Fiscal 2015, we believe we can also grow our share in each of these apparel categories in other sports.

We deliver convenience and consistent branding to a traditionally fragmented team apparel market, thus helping our retail partners to provide a fully customized service to their customers. We are expanding our team apparel offering across our high performance sports platform, including building on our iconic EASTON and cutting-edge MAVERIK brands in the diamond sports and lacrosse apparel markets, respectively, while focusing the INARIA brand on the soccer apparel market. The expansion of our team apparel capabilities in hockey under the BAUER brand has provided another lever of growth to our hockey business by combining team apparel offerings with customized equipment such as helmets and pants.

In addition to team apparel, we believe there is a significant opportunity to leverage our strong brand names to increase our presence and product offering in performance and lifestyle apparel. We have made significant R&D investments in apparel as well as in our equipment categories. Recent examples of products developed from these efforts include our training and base layer products for hockey utilizing the 37.5™ moisture management system and our new line of protective hockey apparel utilizing Poron®XRD™, a proprietary foam exclusively available to us for use in hockey and lacrosse. Our performance apparel business has seen the benefit of this investment and grown at a 51% compound annual growth rate from Fiscal 2009 to Fiscal 2015.

Continue Our Rapid Growth in Lacrosse

Through our CASCADE and MAVERIK brands, we estimate our lacrosse market share to be 28%, including a 90% market share in helmets. We believe our intellectual property assets, authentic lacrosse brand names, and strong R&D and product development platform position us well to achieve overall market leadership by 2016.

We intend to continue to focus and drive growth amongst core youth (15 and under) and high school markets, which represent 38% and 55% of lacrosse participants in the United States, respectively. Similar to ice hockey and baseball, the high representation of youth in the sport provides the industry with a more frequent product replacement cycle as players grow out of their equipment.

With our CASCADE brand, we are the leading manufacturer and distributor of men's and youth lacrosse helmets in North America. CASCADE has been able to develop its leading market position, long-term relationships with retailers and strong industry-wide brand recognition due to an efficient manufacturing process and supply chain that allows it to manufacture and ship customized products within 48 hours of order. Cascade has been the helmet sponsor of Major League Lacrosse since 1999, with 85% of the league wearing CASCADE helmets. In addition, 40 of the last 48 NCAA Division I lacrosse national championship finalist teams have exclusively worn CASCADE helmets. We are the exclusive helmet provider for approximately 72% of all NCAA Division I collegiate lacrosse teams, and 48 of the top 50 high school teams in the United States.

Our lacrosse business operates a 72,000 square-foot manufacturing facility in Liverpool, New York with multiple production lines, as well as operations in New York City and Exeter, New Hampshire. As most of our lacrosse business' component suppliers and vendors have facilities located within 300 miles of the Liverpool facility, we are able to manufacture and ship individualized products within a 48-hour turnaround time from order confirmation. We intend to maintain our factory custom competitive advantage while ensuring our lacrosse business continues to provide its specialty dealers and retailers with strong customer service and product customization capabilities, which are particularly important for the many school and travel lacrosse teams that customize the color schemes of their helmets as part of the team uniforms. These unique attributes have enabled our lacrosse business to develop long-term relationships with its retailers while also building strong industry-wide brand recognition. We manufacture and deliver all of our lacrosse helmet products to retailers and other distributors through our facility in Liverpool, New York and our other lacrosse equipment products through our third-party facility in Aurora, Illinois.

Beyond increasing market share in our current men's lacrosse categories, we see substantial opportunity to expand our presence in women's lacrosse and in lacrosse team apparel by leveraging the combined product innovation and research capabilities of the Company. We are well positioned to deliver advancements in women's head protection as a result of CASCADE's leadership position in helmets and recently launched MAVERIK branded lacrosse uniforms through a targeted strategy incorporating our team apparel capabilities and Cascade's strong customization-based customer relationships.

Continue to Pursue Strategic Acquisitions

We have repeatedly used our world-class performance sports product platform to grow our business into new performance equipment and apparel categories and sports markets. Our successful acquisition and integration of seven businesses since 2008 has demonstrated our ability to identify targets and integrate acquired businesses. We are continuing to explore a number of potential near-term opportunities to complement our organic growth. When evaluating potential targets, we look for the ability to leverage our world-class performance sports platform, existing or potential market leaders, authentic brand equity and heritage and sports that demand high quality, innovative performance products. We are disciplined in our approach and have foregone many acquisition opportunities that did not satisfy our criteria.

Operating Segments

The Company has four operating segments: (i) Hockey, (ii) Baseball/Softball, (iii) Lacrosse and (iv) Soccer. Hockey and Baseball/Softball are reportable operating segments, and the remaining operating segments do not meet the criteria for a reportable segment and are included in Other Sports. The Hockey segment includes the BAUER and MISSION brands. The Baseball/Softball segment includes the EASTON and COMBAT brands. Other Sports includes the Lacrosse and Soccer operating segments, which includes the MAVERIK, CASCADE, and INARIA brands.

For operating segments data and geographic segments data, see "Segment Results" and refer to Note 17 of the Notes to Consolidated Financial Statements.

Customers

Our customer base spans over 5,000 retailers in Canada, the United States, the Nordic countries and more than 60 distributors. We sell our products through diverse channels of distribution including: (i) specialty retailers that cater to sports enthusiasts who typically seek premium products at the highest performance levels, (ii) national and regional full-line sporting goods retailers and distributors ("big box"), (iii) institutional buyers such as educational institutions and athletic leagues, and (iv) mass retailers that offer a focused selection of products at entry-level and mid-level price points.

In Fiscal 2015, approximately 58% of our total sales were in the United States, approximately 24% were in Canada, and approximately 18% were in the rest of the world. By channel, 27% of our sales were to big box accounts and 73% was to sport-specific specialty accounts (including larger, multi-door accounts).

Our ten largest customers together accounted for approximately 37% of the Company's sales in Fiscal 2015, with our top customer, Canadian Tire Corporation, Limited, accounting for approximately 10% of our sales.

Bauer Hockey sells directly to our customers in Canada, the United States, and the Nordic countries. In Fiscal 2015, approximately 83% of our ice hockey equipment sales were to these markets. By channel, 18% of Bauer Hockey sales were to large big box accounts and 82% were to hockey specialty accounts (including larger, multi-door accounts). In these jurisdictions, our customers are typically independently-owned specialty hockey retail stores and large sporting goods retailers. Bauer Hockey sells through distributors outside North America and the Nordic countries. In Fiscal 2015, approximately 17% of our ice hockey equipment sales were to distributors representing over 1,000 retail outlets globally, providing us access to the world's largest hockey markets outside North America and the Nordic countries. We believe that larger, more established equipment manufacturers like Bauer Hockey are able to more effectively serve the spectrum of retail channels globally, through established relationships and developed distribution capabilities.

Our lacrosse business exclusively sells its products through dealers and retailers, with minimal direct sales to end-consumers. In Fiscal 2015, approximately 89% of our lacrosse revenues were generated from lacrosse specialty and independent dealers, who then sell through to individuals, teams and institutions. The remaining 11% of our lacrosse revenues were from big box retailers and sporting goods retail chains, primarily on an exclusive basis. Through our grassroots and product-focused marketing approach, we have developed a diverse lacrosse customer base, with no customer representing more than 16% of total Fiscal 2015 sales.

COMBAT's sales and distribution network focuses primarily on North America. COMBAT's customers are made up of online stores, big box retailers, sporting goods chains and baseball specialty dealers. By channel, 3% of COMBAT sales were to big box and sporting goods chains and 97% were to baseball specialty accounts (including larger, multi-door accounts). COMBAT's revenues are also generated via direct sales to end-consumers through team buy-in programs. COMBAT's products are geared towards the high-end baseball and softball market which is currently served by the various retailers described above. This range allows for a wide variety of customers.

Easton Baseball/Softball's sales and distribution network focuses primarily on North America. Easton Baseball/Softball's customers are made up of online stores, big box retailers, sporting goods chains and baseball specialty dealers. By channel, 51% of Easton Baseball/Softball sales were to big box and sporting goods chains and 49% were to baseball specialty accounts (including larger, multi-door accounts). Easton Baseball/Softball's products are geared towards the high-end baseball and softball market which is currently served by the various retailers described above. This range allows for a wide variety of customers.

Inaria predominantly sells its products directly to teams and associations. In Fiscal 2015, approximately 66% of revenues were generated in Canada. The primary soccer product being sold is a "player kit" that includes a jersey, shorts and matching socks for each member of the team or association. Each player kit is sized and personalized with team identifiers and numbering. Revenue is also generated from supplemental products such as off-field apparel, balls, bags and coaching accessories.

Research and Development

We have a disciplined, rolling, multi-year product development program through which we bring hundreds of new products to market annually across all of our sports. To support the successful execution of our new product launches, we (i) fully integrate our manufacturing partners into our R&D program, (ii) incorporate advanced materials into our product design to create lighter, more durable products, (iii) maintain a strong focus and discipline on cost management, and (iv) heavily test prototypes throughout the development phase, including utilization lab tests and on-ice/on-field trials by elite and high level players. We believe that this collaborative process yields superior equipment and performance apparel.

Our brands were founded on and exemplify the principles of performance, innovation and quality. We constantly strive to improve product performance and reduce costs through the use of biomechanical research, high performance materials, efficient manufacturing processes and valuable consumer insights. We believe that the application of next generation manufacturing technology solidifies our position as the industry leader in ice, roller hockey and baseball/softball equipment and will continue to drive the MAVERIK and CASCADE brands in lacrosse. We have been combining relevant technologies, where applicable, across all of our sports to strengthen our equipment offerings.

We work closely with athletes at all levels to provide insights that help us develop new equipment, including some of the world's top professionals. In hockey, we have exclusive partnerships with NHL athletes such as Patrick Kane, Alexander Ovechkin, Steven Stamkos and Henrik Lundqvist who wear BAUER equipment exclusively and offer their insight and guidance to our industry-leading R&D team as we develop the most advanced hockey equipment in the industry. We believe that this collaborative process yields superior ice and roller hockey equipment and that partnering with elite athletes in our lacrosse, baseball and softball businesses will yield similar benefits.

Global Manufacturing, Sourcing and Distribution

Sourcing and Manufacturing

We have an established and comprehensive manufacturing platform with our key suppliers, primarily with facilities in Canada, China, Thailand and Vietnam, where most of our hockey equipment and related apparel is produced exclusively for us at what we believe to be low costs. During Fiscal 2015, greater than 90% of our manufactured products were sourced from international suppliers. We have excellent long-term relationships with our manufacturing partners and vendors, whom we fully integrate into our R&D and product development programs.

Bauer Hockey manufactures the majority of its hockey equipment with an exclusive vendor base. Over 90% of our overseas production is located in China, Thailand and Vietnam. Our remaining hockey products are manufactured either at non-exclusive facilities or at our in-house manufacturing facility in Blainville, Québec, the location of our new world-class research design and development center. Quality control for our products manufactured in Asia is managed from Blainville, Québec and our office in Taichung, Taiwan, where we have a dedicated staff responsible for liaising with internal resources located at our many partner locations.

Our suppliers and manufacturers are contractually bound by strict security and privacy provisions to ensure the protection of our proprietary trade secrets. We have agreements with our manufacturing partners that renew automatically every two years, and many of our manufacturing relationships vary from 10 years to more than 30 years. In the event that there are performance issues with our manufacturers, we retain the right to terminate any of our agreements with no more than 30 days' notice. In our core product categories, we dual-source many products to mitigate the risk of supply disruptions. In addition, we employ strategies with our vendors to reduce the variability of material price increases over certain time periods.

We believe that we have one of the lowest manufacturing costs amongst our equipment competitors based on our manufacturing scale and infrastructure, coupled with our distribution network and R&D processes. We strive to obtain the lowest costs for materials and manufacturing of our products, including a focused initiative on lean manufacturing. In doing so, we seek alternative sources of supply and manufacturing capacity in existing and new markets.

We operate a 72,000 square foot manufacturing facility in Liverpool, New York, with multiple production lines for lacrosse and ice hockey helmets. For MAVERIK branded lacrosse products, we source primarily from suppliers in China, Vietnam, and Taiwan. For uniforms, we source raw materials and work-in-process primarily from suppliers in Asia and finish production at a facility in Toronto, Ontario. Our Combat Sports business manufactures its finished goods at its Ottawa, Ontario manufacturing facility as well as in China.

Easton Baseball/Softball manufactures 100% of its composite bats with an exclusive vendor located in China. Its remaining baseball and softball products are manufactured in non-exclusive facilities that are located throughout Asia, China, Thailand, Indonesia and Vietnam. A very small percentage of Easton Baseball/Softball products are sourced through vendors based in the United States. A majority of our EASTON branded wood bats are manufactured in our Van Nuys, California facility.

In October 2014 the Company announced a five-year plan to improve pre-tax profitability by $30 million (excluding certain non-recurring costs or one-time costs that may be required to implement some of these initiatives). The initiative is focused on efficiency, product cost reductions and inventory quality improvements. The Company expects to increase service levels throughout the supply chain and improve the overall distribution footprint. The cost reductions are expected to begin in Fiscal 2016, with the majority of the benefit to be experienced in the latter stages of the five-year plan.

Distribution

Our ice and roller hockey products are sold in over 60 countries through a distribution network of more than 2,400 retailers and distributors worldwide. We distribute our hockey products to retailers and other distributors through our facility in Mississauga, Ontario, as well as through third-party logistics providers in Aurora, Illinois, Romeoville, Illinois, Salt Lake City, Utah and Boras, Sweden. Our lacrosse products are sold in 10 different countries through a distribution network of more than 600 retailers and distributors worldwide. INARIA branded soccer products are sold directly to teams, clubs and associations across North America. All products are embellished and shipped from our 40,000 square feet facility located in Toronto, Ontario. Easton Baseball/Softball and Combat Sports' products are sold through a distribution network of more than 1,700 retailers and distributors in North America and Europe. With the Easton Baseball/Softball Acquisition, we added a Salt Lake City, Utah distribution facility and a third-party logistics provider in Memphis, Tennessee. In addition to Baseball/Softball, the Salt Lake City facility also serves as a distribution facility for select hockey products.

Environment

We are not aware of any material environmental problems with respect to any of our operations or facilities. Existing applicable environmental laws and requirements have not had any adverse financial or operational effects on our capital expenditures, earnings or competitive position and we do not anticipate that continuing compliance with such laws and requirements will have a material adverse effect upon our expenditures, earnings or competitive position in future years.

Intellectual Property

We have an extensive portfolio of intellectual property which creates a strategic competitive advantage and can be applied to new performance equipment sports categories. Our portfolio includes 638 patents (including design patents and patents pending). We protect our technologies, products and brands under the patent, copyright and trademark laws of those countries in which we do business. We aggressively defend any infringements of our patents to the fullest extent possible.

In addition, we own a significant number of trademarks including BAUER, SUPREME, NEXUS, MISSION, MAVERIK, CASCADE, INARIA, COMBAT, EASTON and MAKO. Other significant trademarks include COOPER, ITECH, JOCK PLUS and TUUK, as well as LANGE, MICRON, DAOUST, MEGA, LASER, and FLAK.

At the time of the sale of the Bauer Hockey Business by NIKE, Inc., including its affiliates ("Nike"), where "Bauer Hockey Business" means the business consisting of, among other things, the design development, manufacturing and marketing of performance sports products of ice hockey and roller hockey, as at the time of the sale of such business by Nike, Nike granted to us an exclusive, worldwide, royalty-free, perpetual limited license to use the VAPOR brand in connection with the manufacture and sale of certain products, subject to the terms and conditions set out in the trademark license agreement, dated April 16, 2008 (the "Vapor License Agreement"). Pursuant to a co-existence agreement, Nike assigned to us its ownership of the SUPREME brand with respect to hockey and skating equipment and related apparel.

Information Technology

We use our information systems to manage our customer orders, deliveries and manufacturing processes. We primarily operate a global SAP infrastructure. We have a North American integrated business-to-business system for our sales representatives and retailers, BauerBiz, which facilitates approximately 80% of our hockey-related orders. Along with other business systems, these tools provide business process support and intelligence across our entire integrated business process, from concept to consumer. In order to protect our ability to conduct business, several risk mitigation techniques are used across our hardware and network equipment, and telecommunications. In addition, despite the Company's implementation of security measures, its systems, are vulnerable to damages from computer viruses, unauthorized access, cyberattack and other similar disruptions. In the event we experience significant disruptions with our information technology system, we may not be able to fix our systems in an efficient and timely manner. These risks are greater with increased information transmission over the Internet and the increasing level of sophistication posed by cyber criminals. See "Risk Factors- If we experience significant disruptions in our information technology systems, our business and financial results may be adversely affected."

Employees and Culture

We have an innovative and energetic culture. Our entire Performance Sports Group team is passionate about our brands, our businesses, ice and roller hockey, lacrosse, baseball and softball, soccer and sports in general. Most of our employees are involved in hockey, lacrosse, or baseball and softball outside of work in one manner or another. Our employees' commitment and dedication to our company is supported by their significant length of service. Our employees have been with the Company an

average of approximately eight years.

As of May 31, 2015, the Company had 872 employees globally. By function, these employees are in Customer Service (72), Distribution (142), Factory (149), Foreign Sourcing (14), Product/R&D (162), Sales (78), Marketing (58), and Administrative (197). By location, these employees are in Canada (370), U.S. (445), Taiwan (19), Sweden (24), Germany (8), and Finland (6). By line of business, these employees are in hockey and shared services (473), baseball and softball (263), lacrosse (73), and apparel (53).

No employees in the United States are represented by any labour union or covered by a collective bargaining agreement. In Canada, certain of our employees are represented by unions. In Mississauga, Ontario, approximately 54 of our employees belong to the Glass, Molders, Pottery, Plastics and Allied Workers International Union and are subject to a three-year collective bargaining agreement expiring on July 6, 2017. In Blainville, Québec, 34 of our full-time employees are members of the United Steelworkers Union of America and are subject to a five-year collective bargaining agreement expiring on November 30, 2017. We have not experienced any labour-related work stoppages and we believe that our relationship with our employees is good.

Seasonality

Our business demonstrates substantial seasonality, although this seasonality has been reduced as a result of the Easton Baseball/Softball Acquisition. The spring/summer season of baseball and softball is highly complementary to the fall/winter season of hockey, and our quarterly sources of revenue and profitability are more balanced throughout the year as a result. The more evenly distributed seasonality of the combined business provides more consistent working capital levels and allows us to improve our efficiency in our manufacturing, distribution and other efforts.

Generally, our highest sales volumes for hockey occur during the first quarter of our fiscal year. Our next highest sales volumes for hockey occur during the second quarter of our fiscal year. Our lowest sales volumes for hockey occur during the third quarter of our fiscal year. In ice hockey, we have three sub-brands of products - VAPOR, SUPREME and NEXUS. In certain fiscal years, we have launched new products under more than one sub-brand. The launch timing of our products may change in future periods.

In lacrosse, our highest sales volumes for MAVERIK and CASCADE products occur in the second and third fiscal quarters.

In baseball/softball, our highest sales volumes for EASTON and COMBAT products occur in the third and fourth fiscal quarters.

The shipment of INARIA soccer products occurs substantially in the first and fourth fiscal quarters. We expect our team apparel revenues, including uniforms for ice hockey, roller hockey, lacrosse and other team sports, to align with the underlying sports' selling seasons as we expand our team apparel offering. In addition, these custom team orders are typically fulfilled within a 30 to 60 day turnaround time, so the visibility to customer orders in advance is limited.

The following table reflects the seasonality of net revenues for each of the quarters in the three most recent fiscal years:

		Percent of Fiscal Net Revenues			
Fiscal Year		**Three-Month Period Ended August 31**	**Three-Month Period Ended November 30**	**Three-Month Period Ended February 28**	**Three-Month Period Ended May 31**
2015 [(1)]		30.1%	26.3%	21.0%	22.6%
	2014	34.5%	26.2%	13.9%	25.4%
	2013	37.1%	27.4%	13.8%	21.7%

(1) Revenue seasonality more balanced as a result of the Easton baseball/softball acquisition.

See "Risk Factors-Our business is affected by seasonality, which could result in fluctuations in our operating results and the trading price of the Common Shares."

Item 1A. RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this annual report on Form 10-K and all other information contained in this annual report on Form 10-K. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business and financial condition could be materially and adversely affected.

Risks Related to Our Business

Our business depends on strong brands, and if we are not able to maintain and enhance our brands we may be unable to sell our products, which would harm our business and cause the results of our operations to suffer.

We believe that the brand image we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the BAUER, VAPOR, SUPREME, NEXUS, MISSION, MAVERIK, CASCADE, INARIA, COMBAT, EASTON and MAKO brands is critical to maintaining and expanding our customer base. Maintaining and enhancing our brands may require us to make substantial investments in areas such as R&D, marketing and employee training, and these investments may not be successful. A primary component of our strategy involves expanding into other geographic markets, particularly within Russia and other Eastern European countries (for ice hockey), in Japan and other non-North American countries (for baseball and softball) and in Canada (for lacrosse). As we expand into new geographic markets, consumers in these markets may not accept our brand image and may not be willing to pay a premium to purchase our sporting equipment as compared to the locally established branded equipment. We anticipate that as our business expands into new markets, maintaining and enhancing our brands may become increasingly difficult and expensive. If we are unable to maintain or enhance the image of our brands, it could adversely affect our business and financial condition.

Sales of our products may be adversely affected if we cannot effectively introduce new and innovative products that meet our quality standards.

Although design, safety and performance of our products is a key factor for consumer acceptance of our products, technical innovation and quality control in the design and manufacture of sporting equipment and related apparel is also essential to the commercial success of our products. R&D plays a key role in technical innovation. We include specialists in the fields of biomechanics, engineering, industrial design and related fields, as well as research committees and advisory boards made up of athletes, coaches, trainers, equipment managers and other experts to develop and test cutting-edge performance products. While we strive to produce quality products that enhance athletic safety and performance and maximize comfort, if we fail to introduce high quality technical innovation in our products the consumer demand for our products could decline.

The sporting equipment and related apparel industry is subject to constantly and rapidly changing consumer demands based, in part, on performance benefits. Our continued success depends, in part, on our ability to anticipate, gauge and respond to these changing consumer preferences in a timely manner while preserving the authenticity and quality of our brands. We believe the historical success of our business has been attributable, in part, to the introduction of products that represent an improvement in performance over products then available in the market. Our future success and growth will depend, in part, upon our continued ability to develop and introduce innovative products. Successful product design, however, can be displaced by other product designs introduced by competitors which shift market preferences in their favor. If we do not introduce successful new products or our competitors introduce products that are superior to ours, our customers may purchase more products from our competitors, which would result in a decrease in our revenues and an increase in our inventory levels, either of which could adversely affect our business and financial condition.

Our success is also dependent on our ability to prevent competitors from copying our innovative products and on the laws and law enforcement practices in respect of intellectual property in the countries in which we manufacture and sell our products. We may not be able to obtain intellectual property protection for an innovative product and, even if we do, we cannot assure that we would be successful in challenging a competitor's attempt to copy that product. Conversely, our competitors may obtain intellectual property protection for superior products that would preclude us from offering the same or similar features on our products. If a competitor's proprietary product feature were to become the industry standard, our customers may purchase more products from our competitors, which would result in a decrease in our revenues and an increase in our inventory levels, either of which could adversely affect our business and financial condition.

If we experience problems with the quality of our products, we may incur substantial expense to remedy the problems

and our reputation and brands may be harmed, which could adversely affect our business and financial condition. See also "Risk Factors - We are subject to product liability, warranty and recall claims, and our insurance coverage may not cover such claims."

Our financial results will be affected by market conditions in the sporting equipment and related apparel industry, which is highly competitive and has certain segments with low barriers to entry.

The sporting equipment industry is highly competitive. Competitive factors that affect our market position include the style, quality, technical and safety aspects and pricing of our products and the strength and authenticity of our brands. While our brand recognition creates significant barriers to entry in most of our markets, there are minimal barriers to entry into certain segments of the sporting equipment industry and related apparel industry. For example, there are low barriers to entry in the related apparel market, including certain performance, team and lifestyle segments. The general availability of offshore manufacturing capacity allows for rapid expansion by competitors and new entrants. Our competitors may overproduce or face financial or liquidity difficulties which may lead them to release their products at lower prices into the market or offer discounts to clear their inventory, resulting in decreased demand for our products. We face competition from well-known sporting goods companies, such as adidas AG-owned Reebok, which has strong brand recognition inside and outside of hockey (and which also owns both the REEBOK and CCM brands) and Easton Hockey (which utilizes the EASTON brand under a trademark license from us). In baseball and softball, we compete with a number of international peers such as Jarden-owned RAWLINGS, Amer Sports-owned WILSON and LOUISVILLE SLUGGER and Mizuno Corp.-owned MIZUNO. In lacrosse, our principal competitors include New Balance-owned WARRIOR and BRINE, and privately-held STX, each of which has significant market share (other than in the helmet category), as well as Jarden-owned DEBEER in women's lacrosse. We also compete with smaller companies who specialize in marketing to our core customers. Our inability to effectively compete in the sporting equipment and related apparel market could adversely affect our business and financial condition.

One of our growth strategies is to operate in the highly competitive apparel market and the brand recognition, size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in us failing to execute on such growth strategy, a loss of our market share and a decrease in our net revenue and profitability.

The market for athletic apparel is highly competitive and there are low barriers to entry in certain segments of the apparel market, including performance, team and lifestyle segments. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could adversely affect our business and financial condition. We compete directly against wholesalers and direct retailers of athletic apparel, including large, diversified apparel companies with substantial market share and established companies expanding their production and marketing of athletic apparel. We also face competition from wholesalers and direct retailers of traditional commodity athletic apparel, such as cotton T-shirts and sweatshirts. Many of our competitors in this segment are large apparel and sporting goods companies with strong worldwide brand recognition, such as Nike, Under Armour, Inc. and adidas AG, which includes the ADIDAS and REEBOK brands. Due to the fragmented nature of the industry, we also compete with other apparel sellers, including those specializing in hockey, baseball and softball, and lacrosse related apparel. Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, R&D, store development, marketing, distribution and other resources than we do. In addition, much of our athletic apparel is sold at a price premium to our competitors.

Our competitors may be able to create and maintain brand awareness and market share in apparel more quickly and effectively than we can by using traditional forms of advertising or otherwise. Our competitors may also be able to increase sales in their new and existing markets faster than we do by emphasizing different distribution channels than we do, such as catalog sales or an extensive franchise network and team dealer network, as opposed to distribution through retail stores or wholesale, and many of our competitors have substantial resources to devote toward increasing sales in such ways. If we are unable to grow our apparel business, it could adversely affect our business and financial condition.

Our success is dependent on our ability to protect our valuable intellectual property rights worldwide and, if we are unable to acquire, enforce, defend and protect our intellectual property rights, our competitive position may be harmed.

We rely on a combination of patent, trademark, industrial design and trade secret laws in our core geographic markets and other jurisdictions, to protect the innovations, brands and proprietary trade secrets and know how related to certain aspects of our business. We seek to protect our confidential proprietary information, in part, by entering into confidentiality and invention assignment agreements with our employees, consultants, contractors, suppliers, and collaborators. While these agreements are designed to protect our proprietary information, we cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, any of these parties may breach the agreements and disclose our proprietary information, including our

trade secrets, or any third party may independently develop similar trade secrets and know how, and we may not be able to obtain adequate remedies for such breaches or independent developments. We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached.

We cannot assure that our actions taken to establish and protect our technology and brands will be adequate to prevent others from seeking to block sales of our products or to obtain monetary damages, based on alleged violation of their patents, trademarks or other proprietary rights. In addition, our competitors have obtained and may continue to obtain patents on certain features of their products, which may prevent us from offering such features on our products, may subject us to patent litigation, and in turn, could result in a competitive disadvantage to us. Moreover, third parties may independently develop technology or other intellectual property that is comparable with or similar to our own, and we may not be able to prevent their use of it. We cannot assure that any third-party intellectual property, including patents and trademarks, for which we have obtained licenses are adequately protected to prevent imitation by others. If those third-party owners fail to obtain or maintain adequate intellectual property protection or prevent substantial unauthorized use of the licensed intellectual property, we risk the loss of our rights under the third-party intellectual property and competitive advantages we have developed based on those rights.

While we have selectively pursued patent and trademark protection in our core geographic markets, in some countries we have not perfected important patent and trademark rights. Further, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of Canada or the United States. As a result, we may encounter significant problems in protecting, enforcing and defending our intellectual property outside of Canada and the United States. If we are unable to prevent material disclosure of the proprietary and confidential know how and trade secrets related to our technologies to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could adversely affect our business and financial condition.

We may be involved in lawsuits to protect, defend or enforce our intellectual property rights, which could be expensive, time consuming and unsuccessful.

Our success depends in part on our ability to protect our trademarks, patents and trade secrets or know how from unauthorized use by others. To counter infringement or unauthorized use, we may be required to file infringement or misappropriation claims, which can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe or misappropriate their intellectual property rights. In addition, in an infringement proceeding, a court may decide that a patent or trademark of ours is invalid or is unenforceable, in whole or part, or may refuse to stop the other party in such infringement proceeding from using the technology or mark at issue on the grounds that our patents do not cover the technology in question or misuse our trade secrets or know how. An adverse result in any litigation or defense proceedings, including proceedings at the patent and trademark offices, could put one or more of our patents or trademarks at risk of being invalidated, held unenforceable or interpreted narrowly, and could put any of our patent or trademark applications at risk of not being issued as a registered patent or trademark. We cannot be sure that our patents, trademarks and trade secrets, including our contractual restrictions, will be adequate to prevent imitation of our products and technology by others. We may be unable to prevent third parties from using our intellectual property rights without our authorization, particularly in countries where we have not registered such rights, where the laws or law enforcement practices do not protect our intellectual property rights as fully as in Canada or the United States, or where intellectual property protection is otherwise limited or unavailable. In some foreign countries, where intellectual property laws or law enforcement practices do not protect our intellectual property rights as fully as in Canada and the United States, third-party manufacturers may be able to manufacture and sell imitation products and diminish the value of our brands as well as infringe our trademark rights. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential proprietary information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of the Common Shares. If we fail to obtain enforceable patent, trademark and trade secret protection, maintain our existing patent, trademark rights and trade secret protection, or prevent substantial unauthorized use of our trade secrets or know how and brands, we risk the loss of our intellectual property rights and competitive advantages we have developed, causing us to lose revenues and have an adverse effect on our business and financial condition. Accordingly, we devote substantial resources to the establishment and protection of our trademarks, patents, industrial designs and trade secrets or know how, and we continuously evaluate the registration of additional trademarks, industrial designs and patents, as appropriate. We cannot guarantee that any of our pending applications will be approved by the applicable governmental authorities. Moreover, even if the applications will be registered during the registration process, third parties may seek to oppose or otherwise challenge these applications or registrations.

Our success relies on our ability to protect our known brands and our rights to the use of such brands. Any difficulties in maintaining these brands may result in damage to our business and financial condition.

Our best known brands include BAUER, VAPOR, SUPREME, NEXUS, MISSION, MAVERIK, CASCADE, INARIA, COMBAT, EASTON and MAKO. We believe that these trademarked and licensed brands, as applicable, are core assets of our business and are of great value to us. If we lose any rights necessary for the use of a product name, our efforts spent building that brand will be lost and we will have to build another brand for that product, which we may not be able to do.

VAPOR, one of our key hockey brands, is not owned by us and VAPOR and SUPREME are subject to use by third parties on products outside of hockey and skating. Our rights to the VAPOR brand are licensed from Nike, and Nike continues to own the mark and the goodwill associated therewith. We are required to comply with certain conditions regarding our use of the VAPOR mark, and are not permitted to use it on apparel or equipment primarily manufactured for participants in athletic activities other than hockey or skating. If we materially breach certain provisions of the Vapor License Agreement and do not or are unable to remedy such breach following notice by Nike, the Vapor License Agreement could be terminated, which would have an adverse effect on our business and financial condition. Nike has rights to use the VAPOR mark and the SUPREME mark on equipment and apparel outside of the hockey and skating markets. If Nike's or its licensees' use of the VAPOR or SUPREME marks is associated with negative publicity, it may have an adverse effect on our business and financial condition.

While we retain ownership of the EASTON and MAKO marks, in connection with the Easton Baseball/Softball Acquisition, we granted to BRG Sports and its successors and assigns a license to use these brands to identify and market their hockey and cycling products. Under the terms of this license agreement, BRG Sports must ensure that all products, packing and advertising materials are of the same quality attained by BRG Sports in its 2013-2014 hockey and cycling product lines and marketed and distributed through channels that are consistent with maintaining this quality standard. Further, as a result of the Easton Baseball/Softball Acquisition, we assumed a license granted by Easton-Bell Sports, Inc. to a company owned by one of its founding members, to use the EASTON trademark in connection with the manufacture and sale of archery bows and accessories. As we do not control either of the above licensees or their successors, we can make no assurances as to how they will conduct business under the EASTON and MAKO brand names. If the conduct or product of a licensee were to create negative publicity for the EASTON or MAKO brands, it may have an adverse effect on our business and financial condition.

Our products may infringe the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products.

From time to time, third parties have challenged our patents, trademark rights and branding practices, or asserted intellectual property rights that relate to our products and product features. We may be required to defend such claims in the future, which, whether or not meritorious, could result in substantial costs and diversion of resources and could have an adverse effect on our business and financial condition or competitive position. If we are found to infringe a third party's intellectual property rights, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing product. Alternatively, we may be required to obtain a license from such third party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing product. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We may also need to redesign or rename some of our products to avoid future infringement liability. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our products or force us to cease some of our business operations, which could materially harm our business. We may also elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes prior to litigation, and any such license agreements may require us to pay royalties and other fees that could be significant. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. Moreover, our involvement in litigation against third parties based on infringement of our intellectual property rights presents some risk that our intellectual property rights could be challenged and invalidated. See also "- We may be involved in lawsuits to protect or enforce our intellectual property rights, which could be expensive, time consuming and unsuccessful". Any of the foregoing could cause us to incur significant costs and prevent us from manufacturing or selling certain of our products, which could adversely affect our business and financial condition.

We may not be successful in designing and manufacturing products that satisfy the testing protocols and standards established by testing and athletic governing bodies or independent third-party testing methods, which could adversely affect our business and financial conditions.

Our success depends on, among other things, the value and reputation of our brands. Negative publicity regarding any of our brands or products, could adversely affect our reputation and sales. Our products are designed to satisfy the standards

established by a number of regulatory and testing bodies, including the Canadian Standards Association (the "CSA"), the Hockey Equipment Certification Council, and National Operating Committee on Standards for Athletic Equipment ("NOCSAE"), as well as by athletic organizations and governing bodies, including the NHL, MLB, NCAA, Little League Baseball and USA Baseball. For certain products, we rely on our in-house testing equipment to ensure that such products comply with these standards. In addition, conferences within these athletic organizations have their own standards that can be stricter than the standards promulgated by the organizations themselves. Furthermore, independent research organizations may evaluate the safety and performance of our products under their own testing protocols and publicize these evaluations.

There can be no assurance that our products will continue to satisfy, and future products will satisfy, the standards established by testing and athletic governing bodies, that our in-house testing equipment will produce the same results as the equipment used by the applicable testing bodies, athletic organizations and governing bodies or that existing standards or testing protocols will not be interpreted and altered in ways or at times that adversely affect our brands and the sales of our products. Any failure to comply with applicable standards or resolve identified issues with applicable governing bodies and any negative publicity that results from third-party evaluation of our products could have an adverse effect on our business and financial condition. Our products also expose us to warranty claims and product liability claims, class action lawsuits and regulatory investigations, in the event that products designed, manufactured or sold by us actually or allegedly fail to perform as expected, or the use of those products results, or is alleged to result, in personal injury, death or property damage.

Sales of our baseball and softball products will be adversely affected if we cannot satisfy the standards established by athletic organizations and governing bodies. These standards can be changed on short notice and in ways that are disruptive to manufacturers such as us. USA Baseball announced a new bat standard for all youth baseball (which covers players 14 years old and under) that will take effect January 1, 2018. All youth baseball play governed by USA Baseball (with the exception of USSSA Baseball), must use bats compliant with USA Baseball's youth standard.

In the past, in response to injuries or death caused by balls hit off non-wood bats, industry governing bodies such as Little League Baseball and several state legislatures and other local governing bodies introduced bills to ban non-wood bats in youth sports. For example, in March 2007, the New York City Council passed a law banning non-wood bats in high school games. A successful bill in a state legislature or other local governing bodies or a change in NCAA regulations to restrict or ban the use of non-wood bats could adversely affect our business and financial condition. In the past, the NCAA has also considered restricting the use of non-wood bats and passed regulations limiting batted ball speed. In August 2009, the NCAA placed a moratorium on the use of composite bats in NCAA competition. The NCAA's concern about composite bats is that they are susceptible to performance improvement above standards set by the NCAA, either through normal use or alterations to the bats made illegally by players. Subsequently, the NCAA has decided that composite bats will be allowed to be used provided that they pass the revised performance standards limiting batted ball speed. If the NCAA, Little League Baseball, USA Baseball or other governing bodies were to prohibit composite bats, or if we were not able to adapt our products to the standards the NCAA may develop, it could have a negative impact on our operating results.

Some of our lacrosse products are made to meet requirements of governing bodies and athletic organizations such as the NCAA, National Federation of State High School Associations ("NFHS") and U.S. Lacrosse. Specifically, lacrosse helmets, facemasks and lacrosse balls must meet the NOCSAE standard. Lacrosse goggles are made to meet an American Society for Testing and Materials standard for lacrosse eyewear. These requirements and standards may change on short notice and any failure to comply with applicable requirements or standards could have an adverse effect on our business and financial condition. For example, in November 2014, NOCSAE questioned the manner of the Company's testing and the adequacy of certain of its quality assurance/quality control procedures which NOCSAE asserted were required to support manufacturer certification to the helmet standard. In connection with this inquiry, NOCSAE decertified the CASCADE R model helmet on November 20, 2014, although this model helmet had received passing test results at two of the three independent laboratories approved by NOCSAE for helmet testing and certification. In addition to public announcement of the decertification of the R model helmet, NOCSAE notified the various sports governing bodies which require that lacrosse helmets used in league play under their jurisdiction be certified to NOCSAE standards.

In order to satisfactorily resolve the decertification issue, the Company and NOCSAE reached agreement on a modification to existing R model helmets that met NOCSAE requirements for recertification of the subject helmets. NOCSAE and the Company announced this resolution on December 12, 2014. We immediately implemented the modification program with an extensive outreach, including direct contact to consumers. After completion of certification testing and passing a third-party quality audit at our Liverpool , New York manufacturing facility, NOCSAE on December 24, 2014 approved our shipments of both retrofitted R helmets and newly manufactured R helmets.The estimated number of retrofitted R helmets to date is approximately 80,000, but the Company estimates that approximately 92,000 R helmets will be retrofitted pursuant to the modification program.

Academic institutions or other independent research organizations may evaluate the safety and performance of our

products under their own testing protocols and publicize these evaluations. For example, in March 2015, Virginia Tech University unveiled its STAR Rating System for hockey helmets, which assigned all commercially available hockey helmets with a star ranking based upon the results of its own testing protocol which purportedly measures a helmet's capacity to reduce concussion risk. Each helmet was given a rating between one and five stars or not recommended (below one star). The initial study examined 32 helmets with one helmet receiving a three-star rating, six helmets receiving two-star ratings, 16 helmets receiving one-star rating and nine being not recommended. Bauer Hockey had two two-star-rated helmets, five one-star-rated helmets, and three helmets not recommended. Mission Hockey had two helmets rated one-star. The methodology and findings of Virginia Tech's STAR Rating System have been questioned by hockey equipment manufacturers and independent experts.

We may not be successful in converting booking orders into realized sales.

Our revenues are generated from (i) booking orders, which are typically received several months in advance of the actual delivery date or range of delivery dates, (ii) repeat orders, which are for at-once delivery, and (iii) other orders. Booking orders include firm orders for which we are given specific delivery dates and planning orders for which we are given a range of delivery dates. Planning orders represent a small, but growing part of our total booking orders. In recent years, the conversion rate of planning orders, or the percentage of planning orders which are ultimately shipped, is not materially different than the conversion rate of firm orders. There can be no assurances that this trend will continue for upcoming seasons.

The seasonality of our business and the manner in which we solicit orders could create quarterly variations in the percentage of our revenues that are comprised of booking orders. Although our booking orders give us some visibility into our future financial performance, there may not be a direct relationship between our booking orders and our future financial performance given several factors, among which are: (i) the timing of order placement compared to historical patterns, (ii) our ability to service demand for our product, (iii) the willingness of our customers to commit to purchasing our product, and (iv) the actual sell-through of our products at retail driving changes in repeat orders. As a result, there can be no assurances that our booking orders will translate into realized sales. Failure to convert booking orders into realized sales could adversely affect our business and financial condition.

Our business is affected by seasonality, which could result in fluctuations in our operating results and the trading price of the Common Shares.

We experience material fluctuations in aggregate sales volume during the year. Historically, revenues in the first fiscal quarter have exceeded those in the second and fourth fiscal quarters and revenues in the third fiscal quarter are lower than the other quarters. While the Easton Baseball/Softball Acquisition has reduced our seasonality, the mix of product sales may nevertheless vary considerably from time to time as a result of changes in seasonal and geographic demand for particular types of equipment and related apparel. In addition, our customers may cancel orders, change delivery schedules or change the mix of products ordered with minimal notice. We may also make strategic decisions to deliver and invoice product at certain dates in order to lower costs or improve supply chain efficiencies. As a result, we may not be able to accurately predict our quarterly sales. Accordingly, our results of operations are likely to fluctuate significantly from period to period. This seasonality, along with other factors that are beyond our control, including general economic conditions, changes in consumer preferences, weather conditions, availability of import quotas, and currency exchange rate fluctuations, could adversely affect our business and financial condition. Our operating margins are also sensitive to a number of factors, including those that are beyond our control, as well as shifts in product sales mix, geographic sales trends, and currency exchange rate fluctuations, all of which we expect to continue. Results of operations in any period should not be considered indicative of the results to be expected for any future period.

Our success depends in large part on the continued popularity of ice hockey, baseball and softball, roller hockey, and lacrosse as recreational sports and the popularity of the NHL, Major League Baseball ("MLB"), MLL, NCAA and Little League Baseball and other high-performance leagues for sports in which our products are used.

The demand for our ice hockey equipment and related apparel is directly related to the popularity of the sport of ice hockey, the number of professional and amateur ice hockey participants, and the amount of ice hockey being played by these participants. If ice hockey participation decreases, sales of our ice hockey equipment and related apparel could be adversely affected. The popularity of the NHL, as well as other professional ice hockey leagues in North America, Europe and the rest of the world, also affect the sales of our ice hockey equipment and related apparel. Our brands receive significant "on-ice" exposure as a result of our endorsements with, or purchases by, NHL players and other professional athletes. We depend on this "on-ice" exposure of our brands to increase brand recognition and reinforce the quality and high performance of our products. The Company maintains an important and valuable relationship with the NHL, the world's premier professional hockey league, and any work stoppages or significant reduction in television coverage of NHL games or any other significant decreases in either attendance at NHL games or viewership of NHL games will reduce the visibility of our brands and could adversely affect our sales of hockey equipment and related apparel. The NHL entered into a lockout during a portion of the 2012-2013 NHL regular season, and during that time the Company was unable to sell BAUER products to NHL teams or continue our NHL-related marketing efforts, reducing

the visibility of BAUER products. There was a resolution to the NHL lockout on January 12, 2013, but we cannot assure you there will not be another lockout or long term decrease in the popularity of the NHL or other professional hockey leagues or in the "on-ice" exposure of BAUER products, which may adversely affect player participation rates and our sales of ice hockey equipment and related apparel.

Likewise, our sales of baseball and softball, roller hockey and lacrosse equipment and related apparel depend on the popularity of these sports, professional and amateur participation, and brand exposure from league play which if negatively impacted could adversely affect our business and financial condition. If MLB, the NCAA or Little League Baseball were to experience a significant reduction in television coverage or any other significant decreases in either attendance at games or viewership (including, in the case of MLB, as a result of work stoppages), the visibility of our brands would decrease, which could adversely affect the sales of our baseball/softball and lacrosse equipment.

We can provide no assurance that we will be able to maintain our existing endorsements with professional athletes or relationships with these leagues in the future or that we will be able to attract new leagues or athletes to endorse our products. Larger companies with greater access to capital for athlete or league sponsorship may in the future increase the cost of sponsorship to levels we may choose not to match. If this were to occur, our athlete or league sponsors may terminate their relationships with us and endorse the products of our competitors and we may be unable to obtain endorsements from other comparable sponsors.

The value of our brands and sales of our products could be diminished if we, the athletes who use our products or the sports in which our products are used, are associated with negative publicity.

We sponsor a variety of athletes and feature those athletes in our advertising and marketing materials, and many athletes and teams use our products, including in connection with teams or leagues for which we are an official supplier. Actions taken by athletes, teams or leagues associated with our products that harm the reputations of those athletes, teams or leagues could also harm our brand image and result in a material decrease in our revenues, net income, and cash flows which could have an adverse effect on our financial condition and liquidity. We may also select athletes who are unable to perform at expected levels or who are not sufficiently marketable, which could also have an adverse effect on our business. If we are unable in the future to secure prominent athletes and arrange athlete endorsements of our products on terms we deem to be reasonable, we may be required to modify our marketing platform and to rely more heavily on other forms of marketing and promotion, which may not prove to be as effective or may result in additional costs. Also, union strikes or lockouts affecting professional play could negatively impact the popularity of the sport, which could have an adverse effect on our revenues from products used in that sport. Furthermore, negative publicity resulting from severe injuries or death occurring in the sports in which our products are used could negatively affect our reputation and result in restrictions, recalls or bans on the use of our products, whether or not such injuries or deaths are related to our products, and if the popularity of ice hockey, baseball and softball, or lacrosse (or other sports for which we design, manufacture and sell equipment and related apparel) among players and fans were to decrease due to these risks or the associated negative publicity, sales of our products could decrease and it could have an adverse impact on our revenues, profitability and operating results. We could become exposed to additional claims and litigation relating to the use of our products and our reputation may be adversely affected by such claims, whether or not successful or meritorious, including potential negative publicity about our products, which could adversely impact our business and financial condition.

Many of our products or components of our products are provided by a limited number of third-party suppliers and manufacturers and, because we have limited control over these parties, we may not be able to obtain quality products on a timely basis or in sufficient quantities.

We rely on a limited number of suppliers and manufacturers for many of our products and for many of the components in our products. During Fiscal 2015, approximately 95% of our manufactured products were sourced from international suppliers. In addition, a substantial portion of our products are manufactured by third-party manufacturers. During Fiscal 2015, the Company's four largest suppliers of inventory produced approximately 62% of our total inventory purchases.

If we experience significantly increased demand, or if, for any reason, we need to replace an existing manufacturer or supplier, there can be no assurance that additional supplies of raw materials or additional manufacturing capacity will be available when required on terms that are acceptable to us, or at all, or that any new supplier or manufacturer would allocate sufficient capacity to us in order to meet our requirements. In addition, should we decide to transition existing manufacturing between third-party manufacturers, the risk of such a problem could increase. For example, prior to our acquisition of Easton Baseball/Softball, the business experienced quality issues when the manufacturing of composite baseball and softball bats was outsourced, which led to an increase in returns of defective bats in 2008. The issue was successfully addressed by working with the supplier in Asia to improve process controls to allow for the identification and resolution of quality issues prior to products being sold into the marketplace. Even if we are able to expand existing or find new manufacturing sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control

standards. Any material delays, interruption or increased costs in the supply of raw materials or manufacture of our products could have an adverse effect on our ability to meet customer demand for our products and result in lower revenues and net income both in the short and long term.

We have occasionally received, and may in the future receive, shipments of products that fail to conform to our quality control standards. In that event, unless we are able to obtain replacement products in a timely manner, we risk the loss of revenues resulting from the inability to sell those products and could incur related increased administrative and shipping costs, and there also could be a negative impact to our brands which could adversely impact our business and financial condition.

Problems with our distribution system could harm our ability to meet customer expectations, manage inventory, complete sales, and achieve objectives for operating efficiencies.

We rely on our distribution facility in Mississauga, Ontario, and on third-party logistics providers in Boras, Sweden, Romeoville, Illinois and Aurora, Illinois for substantially all of our hockey product distribution. We broadened our arrangement with the Romeoville, Illinois and the Aurora, Illinois third-party vendor to encompass the distribution of all U.S. ice hockey equipment, and may further broaden our arrangements with both third-party vendors for additional products, but there can be no assurance that we will be able to enter into an agreement with these third parties on acceptable terms. We rely on our facilities in Salt Lake City, Utah and a third-party logistics provider in Memphis, Tennessee for substantially all of our baseball and softball product distribution. We rely on our facility in Liverpool, New York for substantially all of our lacrosse helmet product distribution and we also distribute certain hockey helmets from this facility. Our distribution network includes computer processes and software that may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, electronic or power interruptions or other system failures. We maintain business interruption insurance, but it may not adequately protect us from the adverse effects that could result from significant disruptions to our distribution system, such as the long-term loss of customers or an erosion of our brand image. Our distribution facilities include computer controlled and automated equipment, which means their operations are complicated and may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, electronic or power interruptions or other system failures. In addition, because substantially all of our products are distributed from a few locations, our operations could also be interrupted by labour difficulties, or by floods, fires or other natural disasters near our distribution centers. In addition, our distribution capacity is dependent on the timely performance of services by third parties, including the shipping of our products to and from the Aurora, Illinois, Romeoville, Illinois, Boras, Sweden, Memphis, Tennessee, Salt Lake City, Utah, Mississauga, Ontario and Liverpool, New York distribution facilities. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be harmed, which could adversely affect our business and financial condition.

The loss of one or more key customers could result in a material loss of revenues.

Our customers do not have any contractual obligations to purchase our products on a multi-season or multi-year basis. Our ten largest customers together accounted for approximately 37% of the Company's sales in Fiscal 2015, with our top customer, Canadian Tire Corporation, Limited, accounting for approximately 10% of our sales. We face the risk that one or more of our key customers may not increase their business with us as much as we expect, may suffer from an economic downturn, may significantly decrease their business with us, may negotiate lower prices or may terminate their relationship with us altogether. The failure to increase our sales to these customers would have a negative impact on our growth prospects and any decrease or loss of these key customers' business or lower gross margins as a result of negotiated lower prices could adversely affect our business and financial condition. In addition, our customers in the retail industry continue to experience consolidation and some may face financial difficulties from time to time. A large portion of our sales are to specialty and "big box" sporting goods retailers, certain of whom are not strongly capitalized. Adverse conditions in the sporting goods retail industry can adversely impact the ability of retailers to purchase our products, or could lead retailers to request credit terms that would adversely affect our cash flow and involve significant risks of non-payment. As a result, we may experience a loss of customers or the un-collectability of accounts receivable in excess of amounts against which we have reserved, which could adversely affect our business and financial condition.

The cost of raw materials could affect our operating results.

The materials used by us, our suppliers and our manufacturers involve raw materials, including carbon-fiber, aluminum, steel, resin and other petroleum-based products. Significant price fluctuations or shortages in petroleum or other raw materials, including the costs to transport such materials or finished products, the uncertainty of Asian currencies' fluctuations against the U.S. dollar, increases in labour rates, and/or the introduction of new and expensive raw materials, could have an adverse effect on our cost of goods sold, results of operations and financial condition.

We are subject to numerous risks associated with doing business abroad, any one of which, if realized, could adversely affect

our business or financial condition.

Our business is subject to the risks generally associated with doing business abroad. We cannot predict the effect of various factors in the countries in which we sell our products or where our suppliers are located, including, among others: (i) economic trends in international markets; (ii) legal and regulatory changes and the burdens and costs of our compliance with a variety of laws, including trade restrictions and tariffs; (iii) difficulties in obtaining, enforcing, defending and protecting intellectual property rights; (iv) increases in transportation costs or delays; (v) work stoppages and labour strikes; (vi) increase and volatility in labour input costs; (vii) fluctuations in exchange rates; (viii) political unrest, terrorism and economic instability; and (ix) limitations on repatriation of earnings. If any of these or other factors were to render the conduct of our business in a particular country undesirable or impractical, our business and financial condition could be adversely affected. Should our current third-party manufacturers become incapable of meeting our manufacturing or supply requirements in a timely manner or cease doing business with us for any reason, our business and financial condition could be adversely affected.

A significant amount of our finished goods are purchased from international third-party suppliers, the majority of which are located in mainland China and Thailand. Most of what we purchase in Asia is finished goods rather than raw materials. We may increase our international sourcing in the future.

Any violation of our policies or any applicable laws and regulations by our suppliers, manufacturers or licensees could interrupt or otherwise disrupt our sourcing, adversely affect our reputation or damage our brand image. While we do not control these suppliers, manufacturers or licensees or their labour practices, negative publicity regarding the production methods of any of our suppliers, manufacturers or licensees could adversely affect our reputation and sales and force us to locate alternative suppliers, manufacturing sources or licensees, which could adversely affect our business and financial condition.

Another significant risk resulting from our international operations is compliance with the U.S. Foreign Corrupt Practices Act ("FCPA"), Canadian Corruption of Foreign Public Officials Act ("CFPOA"), and other anti-bribery laws applicable to our operations. In many foreign countries, particularly in those with developing economies, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA, the CFPOA or other U.S., Canadian and foreign laws and regulations applicable to us. Although we have adopted policies designed to ensure compliance with the FCPA, the CFPOA and similar laws, there can be no assurance that all of our employees, agents and other channel partners, as well as those companies to which we outsource certain of our business operations, will not take actions in violation of our policies. Any such violation could have an adverse effect on our business and financial condition.

We may not be successful in our efforts to expand into international market segments.

We intend to expand into additional international markets, particularly Russia and other Eastern European countries (for ice hockey), Japan and other non-North American countries (for baseball and softball), and in Canada (for lacrosse), in order to grow our business. These expansion plans will require significant management attention and resources and may be unsuccessful. We have limited experience adapting our products to conform to local cultures, standards and policies, particularly in non-Western markets. In addition, to achieve satisfactory performance for consumers in international locations, it may be necessary to locate physical facilities, such as regional offices, in the foreign market. We may not be successful in expanding into any additional international markets or in generating revenues from foreign operations.

In addition to risks described elsewhere in this annual report on Form 10-K, our international sales and operations are subject to a number of risks, including:

- economic and political conditions, including inflation, fluctuation in interest rates and currency exchange rates;
- government regulation and restrictive governmental actions (such as trade protection measures, including export duties and quotas and custom duties and tariffs), nationalization, measures protecting cultural industries, expropriation and restrictions on foreign ownership and/or corruption or criminal activity;
- restrictions on sales or distribution of certain products and uncertainty regarding enforcement and protection of intellectual property rights;
- business licensing or certification requirements;
- lower levels of consumer spending and fewer opportunities for growth compared to our existing markets; and
- geopolitical events, including unstable governments and legal systems, war, civil unrest, and terrorism.

Adverse developments in any of these areas could adversely affect our business and financial condition.

Our results of operations may suffer if we are not able to accurately forecast demand for our products.

To reduce purchasing costs and ensure supply, we place orders with our suppliers in advance of the time period we expect to deliver our products. However, a large portion of our products are sold into consumer markets that are difficult to accurately forecast. If we fail to accurately forecast demand for our products, we may experience excess inventory levels or inventory shortages. Factors that could affect our ability to accurately forecast demand for our products include, among others:

- changes in consumer demand for our products or the products of our competitors;
- new product introductions by our competitors;
- failure to accurately forecast consumer acceptance of our products;
- inability to realize revenues from booking orders;
- work stoppages or negative publicity associated with leagues or athletes we endorse;
- unanticipated changes in general market conditions or other factors, which may result in cancellations of advance orders or a reduction or increase in the rate of reorders placed by retailers;
- weakening of economic conditions or consumer confidence in future economic conditions, which could reduce demand for discretionary items, such as our products;
- terrorism or acts of war, or the threat thereof, which could adversely affect consumer confidence and spending or interrupt production and distribution of products and raw materials;
- abnormal weather pattern or extreme weather conditions including hurricanes, floods, etc., which may disrupt economic activity; and
- general economic conditions.

Inventory levels in excess of consumer demand may result in inventory write-downs and the sale of excess inventory at discounted prices, which could significantly harm our operating results and impair the value of our brands. Inventory shortages may result in unfulfilled orders, negatively impact customer relationships, diminish brand loyalty and result in lost revenues, any of which could adversely affect our business and financial condition.

We are subject to product liability, warranty and recall claims, and our insurance coverage may not cover such claims.

Our products expose us to warranty claims and product liability claims in the event that products manufactured, sold or designed by us actually or allegedly fail to perform as expected, or the use of those products results, or is alleged to result, in personal injury, death or property damage. Further, we or one or more of our suppliers might not adhere to product safety requirements or quality control standards, and products may be shipped to retail partners before the issue is identified. In the event this occurs, we may have to recall our products to address performance, compliance, or other safety related issues. The financial costs we may incur in connection with these recalls typically would include the cost of the product being replaced or repaired and associated labour and administrative costs and, if applicable, governmental fines and/or penalties.

For example, in 2010, Bauer Hockey conducted a voluntary recall of approximately 130,000 youth hockey sticks in North America after we found that the paint on these sticks contained lead in excess of the regulatory limits established in Canada and the United States for children's products. The manufacturer of these sticks assumed full responsibility for the costs incurred by us in connection with this recall, but there can be no assurance that the costs of any future recalls will not be borne, at least in part, by us. In 2012, the lacrosse division of Easton-Bell Sports, Inc. conducted a recall of the Easton "Raptor" lacrosse helmet. The chin bar on the subject helmet was determined to be susceptible to breakage, in which event the wearer would be exposed to a jaw or facial injury. The recall involved approximately 12,000 helmets, was initiated voluntarily, and was performed in conjunction with staff from the Consumer Product Safety Commission ("CPSC"). In March 2015, Bauer Hockey, in cooperation with the CPSC and Health Canada, voluntarily recalled approximately 2,500 goalie mask cages and replacement wires, after determining that the wires on the mask may break, creating a potential risk of facial injury.

Product recalls can harm our reputation and cause us to lose customers, particularly if those recalls cause consumers to question the safety or reliability of our products. Substantial costs incurred or lost sales caused by future product recalls could adversely affect our business and financial condition. Conversely, not issuing a recall or not issuing a recall on a timely basis can harm our reputation and cause us to lose customers for the same reasons as expressed above. Product recalls, withdrawals, repairs or replacements may also increase the amount of competition that we face.

We vigorously defend or attempt to settle all product liability cases brought against us. However, there is no assurance that we can successfully defend or settle all such cases. We believe that we are not currently subject to any material product liability claims not covered by insurance, although the ultimate outcome of these and future claims cannot presently be determined. Because product liability claims are part of the ordinary course of our business, we maintain product liability insurance which we currently believe is adequate. Our insurance policies provide coverage against claims resulting from alleged injuries arising from our products sustained during the respective policy periods, subject to policy terms and conditions. The primary portion of our product liability coverage is written under a policy expiring on June 1, 2016 with a primary limit of $5 million, and with a self-insured retention of $50,000 for all products, including helmets and soft goods. We have first umbrella coverage with a limit of $10 million above the primary layer and a second umbrella layer with a limit of $10 million, for a total of $20 million. The umbrella coverages expire on June 1, 2016. We also have first excess liability coverage, expiring on June 1, 2016, with a limit of $25 million above the umbrella layers, and a second excess layer with an additional limit of $25 million, also expiring on June 1, 2016, providing a total of $75 million of liability insurance. Management believes the insurance will be renewed on substantially similar terms upon its expiry but there can be no assurance that this coverage will be renewed or otherwise remain available in the future, that our insurers will be financially viable when payment of a claim is required, that the cost of such insurance will not increase, or that this insurance will ultimately prove to be adequate under our various policies. Furthermore, future rate increases might make insurance uneconomical for us to maintain. These potential insurance problems or any adverse outcome in any liability suit could create increased expenses which could harm our business. We are unable to predict the nature of product liability claims that may be made against us in the future with respect to injuries, diseases or other illnesses resulting from the use of our products or the materials incorporated in our products.

With regard to warranty claims, our actual product warranty obligations could materially differ from historical rates which would oblige us to revise our estimated warranty liability accordingly. Also, certain products sold by us, such as composite ice hockey sticks and aluminum and composite baseball bats, have a higher warranty expense than other products. Adverse determinations of material product liability and warranty claims made against us could have an adverse effect on our business and financial condition (including gross profit) and could harm the reputation of our brands.

We may not be able to successfully open and operate Own The Moment Hockey Experience retail stores, which could adversely affect our business and financial condition.

Our ability to successfully open and operate Own The Moment Hockey Experience retail stores as and when contemplated depends on many factors, including, among others, our ability to identify and secure suitable locations; negotiate acceptable lease terms; hire, train and retain store personnel with the appropriate expertise; immerse new store personnel into our corporate culture; stock sufficient inventory levels; and successfully integrate new stores into our existing company operations and information technology systems.

Our Own The Moment Hockey Experience retail stores will also generally be subject to the risks associated with operating in a retail environment, including, among others, the following: risks associated with leasing real estate as our Own The Moment Hockey Experience locations are, and will be, leased; changing customer demographics, which may result in the planned locations of our Own The Moment Hockey Experiences becoming less attractive; social or economic conditions where our Own The Moment Hockey Experience retail stores are expected to be located could decline in the future, thus resulting in potentially reduced sales at those locations; intense competition in the retail hockey equipment industry with the industry being fragmented with respect to product level and brand selection, price points, physical store formats, customer experience and service and location being the principal competitive factors; changing customer demands, shopping patterns or preferences with customers having a number of shopping alternatives, including e-commerce shopping alternatives; potential breaches of customer, employee or company data, which could attract a substantial amount of media attention, damage our customer relationships and reputation and result in lost sales, potential fines or lawsuits; and extreme or unseasonable weather conditions in the areas in which our Own The Moment Hockey Experience retail stores are expected to be located.

Furthermore, failure to design, integrate and/or execute our plans for our Own The Moment Hockey Experience retail stores may result in, among other things, incremental financial expenditures, loss of capital investment, divergence of management time and resources, potential disruption or impact on our relationship with existing retail partners and negative customer experiences and related impressions with our brand.

Our strategic initiatives are subject to numerous assumptions and factors, many of which are outside our control, and there are no assurances that such initiatives will be realized or on the anticipated timeline.

In order to operate our business, achieve our goals and remain competitive, the Company continuously seeks to identify and devise, invest in, implement and pursue strategic, business, technological and other important initiatives. These initiatives, including activities relating to their development and implementation, may be adversely impacted by a wide range of factors, many of which are beyond the Company's control. Such factors include those relating to foreign exchange rates, labour issues or wage increases, liquidity, competition, cost of raw materials and commodities, unanticipated expenses, economic conditions (including inflationary risk), the performance of third parties (including suppliers), the implementation and integration of such initiatives into the Company's other activities and processes as well as the adoption and acceptance of these initiatives by the Company's customers, suppliers, employees and personnel.

In October 2014, the Company launched a profitability improvement initiative aimed at securing increased efficiency, product cost reductions, inventory quality improvements and improvements in the overall effectiveness of the Company's supply chain, with the goal of realizing approximately $30 million of increased pre-tax profitability within five years (excluding certain non-recurring costs or one-time costs that may be required to implement some of these initiatives). Despite the Company's plans and objectives, the Company may not be able to successfully achieve its target goal within the five year time period or fully realize the underlying objectives of its profitability improvement initiative, including those which seek to decrease costs, improve service levels throughout the Company's supply chain or promote efficiencies.

The Company launched a cash flow improvement initiative that is targeting an improvement in net cash flow from working capital of $30 million in Fiscal 2016. Despite the Company's plans and objectives, the Company may not be able to successfully achieve its target goal within Fiscal 2016 or fully realize the underlying objectives of its cash flow improvement initiative.

The Company's profitability improvement initiative and cash flow improvement initiative are based on certain market conditions and other reasonable assumptions, estimates, analyses, beliefs and opinions of management, including, but not limited to certain macro-economic factors, such as currency rates, as well as labour, raw material and other input costs, which management believes to be relevant as of the date hereof, but are subject to inherent risks and uncertainties, which give rise to the possibility that the Company's assumptions, estimates, analyses, beliefs and opinions may not be correct and that the Company's expectations, goals and initiatives will not be achieved.

A delay or failure to sufficiently and successfully identify and devise, invest in or implement any of the Company's strategic initiatives, including the profitability improvement initiative, could adversely affect the Company's ability to operate its business, achieve its goals and remain competitive and could adversely affect our business and financial condition.

There can be no assurance that our third-party suppliers and manufacturers will continue to manufacture products that comply with all applicable laws and regulations.

The labeling, distribution, importation and sale of our products are subject to extensive regulation by various federal agencies, including the Competition Bureau (Industry Canada) in Canada, and the Federal Trade Commission, the CPSC, and state attorneys general in the United States, as well as by various other federal, state, provincial, local and international regulatory authorities in the countries in which our products are manufactured, distributed or sold. If we fail to comply with applicable regulations, we could become subject to significant penalties or claims, which could harm our results of operations or our ability to conduct our business. In addition, the adoption of new regulations or changes in the interpretation of existing regulations may result in significant compliance costs or discontinuation of product sales and may impair the marketing of our products, which could adversely affect our business and financial condition.

Our ability to source our merchandise profitably or at all could be affected if new trade restrictions are imposed or existing trade restrictions become more burdensome.

The United States and the countries in which our products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels. For example, under the provisions of the World Trade Organization ("WTO"), Agreement on Textiles and Clothing, effective as of January 1, 2005, the United States and other WTO member countries eliminated quotas on textiles and apparel-related products from WTO member countries. In 2005, China's exports into the United States surged as a result of the eliminated quotas. In response to the perceived disruption of the market, the United States imposed new quotas, which remained in place through the end of 2008, on certain categories of natural-fiber products that we import from China. These quotas were lifted on January 1, 2009. Countries impose, modify and remove tariffs and other trade restrictions in response to a diverse array of factors, including

global and national economic and political conditions, which make it impossible for us to predict future developments regarding tariffs and other trade restrictions. For example, although Canada cut its tariffs on hockey equipment in 2013, it is impossible for us to predict whether they will return in the future. Trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to us or may require us to modify our supply chain organization or other current business practices, any of which could adversely affect our business and financial condition.

If we lose the services of our CEO or other members of our team who possess specialized market knowledge and technical skills, it could reduce our ability to compete, to manage our operations effectively, or to develop new products and services.

Many of our team members have extensive experience in our industry and with our business, products, and customers. Since we are managed by a small group of senior executive officers, the loss of the technical knowledge, management expertise and knowledge of our operations of one or more members of our team, including Kevin Davis, our CEO, or Amir Rosenthal, our President, PSG Brands, and CFO, could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves us and would need to spend time usually reserved for managing our business to search for, hire and train new members of management. The loss of some or all of our team could negatively affect our ability to develop and pursue our business strategy, and/or our ability to integrate recent acquisitions, which could adversely affect our business and financial condition. In addition, the market for key personnel in the industry in which we compete is highly competitive, and we may not be able to attract and retain key personnel with the skills and expertise necessary to manage our business. We do not maintain "key executive" life insurance.

Litigation may adversely affect our business and financial results.

Our business is subject to the risk of litigation by employees, customers, consumers, suppliers, competitors, shareholders, government agencies, or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. For example, on June 5, 2014, the Company received notice from the Canadian Competition Bureau that it had commenced an inquiry relating to certain representations allegedly made by Bauer Hockey Corp. in relation to the RE-AKT hockey helmet. The Company reached a settlement with the Canadian Competition Bureau in respect of its inquiry in November 2014. There can be no assurance that the Company will not be the subject of further regulatory inquiries in the future. The outcome of litigation, particularly class action lawsuits, regulatory actions and intellectual property claims, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to these lawsuits may remain unknown for substantial periods of time. In addition, certain of these proceedings, if decided adversely to us or settled by us, may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend future litigation may be significant. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business or our products, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation may adversely affect our business and financial condition.

We may be subject to certain class action lawsuits, which could result in negative publicity and, if decided against us, could require us to pay substantial judgments, settlements or other penalties.

In addition to being subject to litigation in the ordinary course of business, in the future, we may be subject to certain class action lawsuits. We expect that this type of litigation may be time consuming, expensive and distracting from the conduct of our daily business. It is possible that we will be required to pay substantial judgments, settlements or other penalties and incur expenses that could have an adverse effect on our operating results, liquidity or financial position. Expenses incurred in connection with these lawsuits, which include substantial fees of lawyers and other professional advisors and our obligations to indemnify officers and directors who may be parties to such actions, could adversely affect our operating results, liquidity or financial position. We do not know if any of this type of litigation and resulting expenses will be covered by insurance. In addition, these lawsuits may cause our insurance premiums to increase in future periods. For example, certain sports equipment manufacturers are currently subject to ongoing class action lawsuits. The Company and Cascade are defending two putative class action lawsuits (one filed in Pennsylvania and the other filed in Connecticut) on behalf of purchasers of the CASCADE R helmet model, in each case with allegations and claims arising in connection with NOCSAE's decertification of the helmet in November 2014. There can be no assurance that the Company will be able to prevail in, or achieve a favorable settlement of, this litigation or any other class action lawsuits that may arise in the future. There also may be adverse publicity associated with class action lawsuits that could negatively affect customer perception of the sports in which our products are used or of our business, regardless of whether the allegations are valid or whether we are ultimately found liable.

Employment-related matters, such as unionization, may affect our profitability or reputation.

As of May 31, 2015, 88 of our 872 employees were unionized. Although we have good labour relations with these

unionized employees, we have little control over union activities and could face difficulties in the future. Our collective bargaining agreement with a union in Mississauga, Ontario, covering 54 employees, expires on July 6, 2017. Our collective bargaining agreement with a union at our R&D and manufacturing facility in Blainville, Québec, covering 32 employees, expires on November 30, 2017. Labour organizing activities could result in additional employees becoming unionized. We can provide no assurance that we will be able to negotiate new collective bargaining agreements on similar or more favorable terms or that we will not experience work stoppages or other labour problems in the future at our unionized and non-union facilities. We could experience a disruption of our operations or higher ongoing labour costs, which could adversely affect our business and financial condition.

In addition, labour disputes at our suppliers or manufacturers create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes or other disruptions during our peak importing or manufacturing seasons, and could have an adverse effect on our business, potentially resulting in canceled orders by customers, unanticipated inventory accumulation or shortages, and reduced revenues and net income.

Further, any negative publicity associated with actions by any of our employees, whether during the course of employment or otherwise, could negatively affect our reputation, which could adversely affect our business and financial condition.

If we experience significant disruptions in our information technology systems, our business and financial results may be adversely affected.

We depend on our information technology systems for the efficient functioning of our business, including accounting, data storage, customer order processing, retail, marketing, social media, internal/external communication, purchasing and inventory management. Our software solutions are intended to enable management to better and more efficiently conduct our operations and gather, analyze, and assess information across all business segments and geographic locations. However, difficulties with the hardware and software platform could disrupt our operations, including our ability to timely ship and track product orders, project inventory requirements, manage our supply chain, and otherwise adequately service our customers, which would have an adverse effect on our business and financial condition. In addition, despite the Company's implementation of security measures, its systems, are vulnerable to damages from computer viruses, unauthorized access, cyberattack and other similar disruptions. In the event we experience significant disruptions with our information technology system, we may not be able to fix our systems in an efficient and timely manner. These risks are greater with increased information transmission over the Internet and the increasing level of sophistication posed by cyber criminals. If a person penetrates the Company's network security or otherwise misappropriates sensitive data, the Company could be subject to liability, there could be a loss of confidence in the Company's ability to serve its clients or the Company's business could be interrupted, and any of these developments could have a material adverse effect on the Company's business, results of operations and financial condition. Costs associated with potential interruptions to our information systems could be significant.

In addition, as these threats continue to evolve, we may be required to invest significant additional resources to modify and enhance our information security and controls or to investigate and remediate any security vulnerabilities. Although none of the threats that have been encountered to date have substantially impacted our business, the impact of a significant event could have a material adverse effect on the Company's business and financial condition.

We may be subject to potential environmental liability.

We are subject to many federal, state, provincial, and local requirements relating to the protection of the environment, and we have made and will continue to make expenditures to comply with such requirements. Past and present manufacturing operations subject us to environmental laws and regulations that regulate the use, handling and contracting for disposal or recycling of hazardous or toxic substances, the discharge of pollutants into the air and the discharge of wastewaters. If environmental laws and regulations become more stringent, our capital expenditures and costs for environmental compliance could increase. Under applicable environmental laws we may also be liable for the remediation of contaminated properties, including properties currently or previously owned, operated or acquired by us and properties where wastes generated by our operations were disposed. Such liability can be imposed regardless of whether we were responsible for creating the contamination. However, due to the possibility of unanticipated factual or regulatory developments, the amount and timing of future environmental expenditures could vary substantially from those currently anticipated and could have an adverse effect on our business and financial condition.

The ability to operate our business will be limited by restrictive covenants contained in the Credit Facilities.

The Credit Facilities contain restrictive financial and other covenants which affect and, in some cases, significantly limit or prohibit, among other things, the manner in which we may structure or operate our business, including by reducing our liquidity, limiting our ability to incur indebtedness, create liens, sell assets, pay dividends, make capital expenditures, be subject to a change

of control, and engage in acquisitions, mergers or restructurings. Future financings and other major agreements may also be subject to similar covenants which limit our operating and financial flexibility, which could have an adverse effect on our business and financial condition.

Our failure to comply with our contractual obligations (including restrictive, financial and other covenants) or to pay our indebtedness and fixed costs could result in a variety of material adverse consequences, including the acceleration of our indebtedness and the exercise of remedies by our creditors, and such defaults could trigger additional defaults under other indebtedness or agreements. In such a situation, it is unlikely that we would be able to repay the accelerated indebtedness or fulfill our obligations under certain contracts, or otherwise cover our fixed costs. Also, the lenders could foreclose upon all or substantially all of our assets which secure our obligations.

We have a substantial amount of indebtedness which may adversely affect our cash flow and our ability to operate our business.

As a result of the Easton Baseball/Softball Acquisition, we have a significant amount of debt which could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our debt obligations.

In order to finance the Easton Baseball/Softball Acquisition and refinance our former credit facilities, we incurred $44.4 million of revolving debt under the New ABL Facility and $450.0 million of term debt under the New Term Loan Facility due in 2021. The term debt was reduced by approximately $119.5 million after applying the net proceeds of the U.S. IPO. The amount of debt under our Credit Facilities also includes $16.8 million of financing costs which we are amortizing over the life of the Credit Facilities and finance lease obligations of $0.3 million. Our degree of leverage could have important consequences, including the following:

- a substantial portion of our cash flows from operations will be dedicated to the payment of principal and interest on our indebtedness and other financial obligations and will not be available for other purposes, including funding our operations, growth strategies and capital expenditures for projects such as a new warehouse or distribution center, new R&D facility, and future business opportunities;

- the debt service requirements of our other indebtedness and lease expense could make it more difficult for us to make payments on our debt;

- our ability to obtain additional financing for future acquisitions, working capital and general corporate or other purposes may be limited;

- certain of our borrowings under the Credit Facilities are at variable rates of interest, exposing us to the risk of increased interest rates;

- our debt level may limit our flexibility in planning for, or reacting to, changes in our business and in our industry in general, placing us at a competitive disadvantage compared to our competitors that have less debt;

- our leverage may make us vulnerable to a downturn in general economic conditions and adverse industry conditions; and

- changes in interest rates could materially and adversely affect our cash flows and results from operations. Our financing includes long-term debt under the New Term Loan Facility and revolving debt under the New ABL Facility that bears interest based on floating market rates. Changes in these rates result in fluctuation in the required cash flow to service this debt and could adversely affect our business and financial condition.

Despite our substantial indebtedness level, we will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We may be able to incur substantial additional indebtedness in the future. Although the Credit Facilities contain restrictions on the incurrence of additional indebtedness, such restrictions are subject to a number of qualifications and exceptions, and under certain circumstances, incurrence of indebtedness in accordance with such restrictions could be substantial. Under the Credit Facilities and our current debt instruments we have the flexibility to incur indebtedness in the future. If our current debt levels are increased, the related risks that we now face could intensify.

Our business could suffer if we are unsuccessful in making, integrating, and maintaining acquisitions and investments.

One of our growth strategies is to continue to pursue strategic acquisitions of new or complementary businesses, products or technologies. There can be no assurance that we would be able to expand our efforts and operations in a cost-effective, accretive or timely manner or that any such efforts would increase overall market acceptance. Further, given our current level of market share in the hockey and baseball/softball equipment segments, respectively, any acquisitions or investments may be subject to regulatory approval, and there can be no assurance that such approval would be received, whether in a timely manner or at all.

Furthermore, any new businesses or products acquired by us that were not favorably received by consumers could damage our reputation or our existing brands. The lack of market acceptance of such businesses or products or our inability to generate satisfactory revenues from such businesses or products to offset their cost could have an adverse effect on our business and financial condition.

We have recently acquired and invested in a number of companies and we may acquire or invest in or enter into joint ventures with additional companies. These transactions create risks such as:

- disruption of our ongoing business, including loss of management focus on existing businesses;
- problems retaining key personnel;
- additional operating losses and expenses of the businesses we acquired or in which we invested;
- the potential impairment of tangible assets, intangible assets and goodwill acquired in the acquisitions;
- the potential impairment of customer and other relationships of a company we acquired or in which we invested or our own customers as a result of any integration of operations;
- the difficulty of incorporating acquired businesses and unanticipated expenses related to such integration;
- the difficulty of integrating a new company's accounting, financial reporting, management, information, human resource and other administrative systems to permit effective management, and the lack of control if such integration is delayed or not implemented;
- the difficulty of implementing at a company we acquire the controls, procedures and policies appropriate for a public company;
- potential environmental liabilities;
- potential unknown liabilities associated with a company we acquire or in which we invest; and
- for foreign transactions, additional risks related to the integration of operations across different cultures and languages, and the economic, political, and regulatory risks associated with specific countries.

While we believe that the operations of the Company and our recently acquired companies can be successfully integrated, there can be no assurance that this will be the case. We could face impediments in our ability to implement our integration strategy. In addition, there can be no assurance that unforeseen costs and expenses or other factors will not offset, in whole or in part, the expected benefits of our integration and operating plans. Further, the integration may require substantial attention from, and place substantial demands upon, our senior management, as well as requiring the cooperation of our employees and those employees of the acquired businesses. Moreover, there can be no assurance that our customers and suppliers will look upon the acquisitions favorably. Failure to successfully integrate the operations of the Company and any of the acquired businesses could adversely affect our business and financial condition.

As a result of future acquisitions or mergers, we might need to issue additional equity securities, spend our cash, or incur additional debt, contingent liabilities, or amortization expenses related to intangible assets, any of which could reduce our profitability and harm our business. In addition, valuations supporting our acquisitions and strategic investments could change rapidly given the current global economic climate and the inherent uncertainty involved in such matters. We could determine that such valuations have experienced impairments or other-than-temporary declines in fair value which could adversely impact our business and financial condition.

Acquisitions and investment also increase the complexity of our business and places significant strain on our management, personnel, operations, supply chain, financial resources, and internal financial control and reporting functions. We may not be able to manage growth effectively, which could damage our reputation, limit our growth and adversely affect our business and financial condition.

The successful integration and management of integrating the businesses involves numerous risks that could adversely affect our growth and profitability, including: (i) the risk that management may not be able to successfully manage the acquired business' operations and the integration may place significant demands on management, diverting their attention from existing operations; (ii) the risk that our operational, financial and management systems may be incompatible with or inadequate to effectively integrate and manage acquired systems; (iii) the risk that an acquisition may require substantial financial resources that could otherwise be used in the development of other aspects of our business; and (iv) the risk that customers and suppliers may not be retained following an acquisition, which could be significant to our operations. The successful integration of Easton Baseball/Softball is also subject to the risk that personnel from Easton Baseball/Softball and our existing business may not be able to work together successfully, which could affect the operations of the combined business. There can be no assurance that we will be successful in integrating an acquired business' operations or that the expected benefits will be realized. There is a risk that some or all of the expected benefits of any acquisition will fail to materialize or may not occur within the time periods anticipated.

We continue to evaluate our estimates of cost synergies to be realized from our acquisitions and refine them. Actual cost synergies, the expenses required to realize the cost synergies and the sources of the cost synergies could differ materially from our internal estimates, and we cannot assure you that we will achieve the full amount of such cost synergies on the schedule anticipated or at all or that these cost synergy programs will not have other adverse effects on our business. In light of these significant uncertainties, you should not place undue reliance on our estimated cost synergies.

We may not realize the growth opportunities that are anticipated from the Easton Baseball/Softball Acquisition.

The benefits we expect to achieve as a result of the Easton Baseball/Softball Acquisition will depend, in part, on our ability to realize anticipated growth opportunities. Our success in realizing these growth opportunities, and the timing of this realization, depends on the successful integration of Easton Baseball/Softball operations with our business and operations. Even if we are able to integrate these businesses and operations successfully, this integration may not result in the realization of the full benefits of the growth opportunities we currently expect within the anticipated time frame or at all. While we anticipate that certain expenses will be incurred, such expenses are difficult to estimate accurately and may exceed current estimates. Accordingly, the benefits from the Easton Baseball/Softball Acquisition may be offset by unexpected costs incurred or delays in integrating the companies, which could cause our profit assumptions to be inaccurate.

There may be undisclosed liabilities related to the acquired businesses.

Although we have conducted what we believe to be a prudent and thorough level of investigation in connection with each of our recent acquisitions, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of the acquired businesses. Following each of the acquisitions, we may discover that we have acquired substantial undisclosed liabilities. In addition, we may be unable to retain the acquired businesses' customers or employees or third parties may attempt to infringe the acquired businesses' intellectual property or claim that the acquired businesses' products infringe such third party's intellectual property. Only certain of these events may entitle us to claim indemnification from the seller of the acquired business under the relevant purchase agreement. In addition, even if indemnification is available it may not offset such liabilities. The existence of undisclosed liabilities, our inability to retain customers or employees, our inability to enforce, protect and defend intellectual property, including proprietary trade secrets and know how, or defend claims for infringement or misappropriation of trade secrets or know how, or the inability to claim indemnification all or in part from each of the sellers of the acquired businesses could adversely affect our business and financial condition.

The market price for the Common Shares may be volatile and subject to wide fluctuations.

The market price for the Common Shares may be volatile and subject to fluctuation in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- changes in estimates of our future results of operations by us or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;

- addition or departure of the Company's executive officers and other key personnel;
- release or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets continue to experience significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance, diversity and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's business and financial condition could be adversely impacted and the trading price of the Common Shares may be adversely affected.

The Common Shares are listed on the NYSE and the Toronto Stock Exchange ("TSX"). Volatility in the market prices of the Common Shares may increase as a result of the Common Shares being listed on both the NYSE and the TSX because trading is split between the two markets, resulting in less liquidity on both exchanges. In addition, different liquidity levels, volume of trading, currencies and market conditions on the two exchanges may result in different prevailing trading prices.

Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources, which could adversely affect our business. Any adverse determination in litigation against us could also subject us to significant liabilities.

We may require additional capital in the future and we cannot give any assurance that such capital will be available at all or available on terms acceptable to us and, if it is available, additional capital raised by us may dilute holders of the Company's Common Shares.

We may need to raise additional funds through public or private debt or equity financings in order to:

- fund ongoing operations;
- take advantage of opportunities, including more rapid expansion of our business or the acquisition of complementary products, technologies or businesses;
- develop new products; or
- respond to competitive pressures.

Any additional capital raised through the sale of equity will dilute the percentage ownership of holders of the Company's Common Shares. Capital raised through debt financing would require us to make periodic interest payments and may impose restrictive covenants on the conduct of our business. Furthermore, additional financings may not be available on terms favorable to us, or at all. Our failure to obtain additional funding could prevent us from making expenditures that may be required to grow our business or maintain our operations.

As a result of the loss of our foreign private issuer status, we are now required to comply with the Exchange Act's domestic reporting regime, which may cause us to incur additional legal, accounting and other expenses.

As of November 28, 2014, we determined that we no longer qualify as a "foreign private issuer" as such term is defined in Rule 405 under the Securities Act, which means that we are required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers, such as Forms 10-K, 10-Q and 8-K, rather than the forms we have filed with the SEC in the past as a foreign private issuer, such as Forms 40-F and 6-K. We are accordingly required to prepare our financial statements filed with the SEC in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") (and must recast prior financial statements and selected financial data from the International Financial Reporting Standards ("IFRS") into U.S. GAAP for all periods required to be presented in the financial statements). As of June 1, 2015, we have also been required to comply with the provisions of U.S. securities laws applicable to U.S. domestic issuers including, without limitation, the U.S. proxy rules, Regulation FD and the Section 16 beneficial ownership reporting and short swing profit rules. We have modified certain of our policies to comply with good governance practices associated with U.S. domestic issuers. In addition, we have lost our ability to rely upon exemptions from certain corporate governance requirements on the NYSE that are available to foreign private issuers.

As a result of such compliance with these additional securities laws, including the transition from IFRS to U.S. GAAP, as well as NYSE rules applicable to U.S. domestic issuers, the regulatory and compliance costs to us under U.S. securities laws may be significantly higher than the cost we would incur as a foreign private issuer and, therefore, we expect that the loss of foreign private issuer status will increase our legal and financial compliance costs and make some activities highly time-consuming and costly and that the costs associated with compliance will increase further once we are no longer an emerging growth company.

The IRS may assert that a certain acquisition is an inversion transaction.

In certain circumstances, a U.S. corporation that is acquired by a non-U.S. corporation may be required to recognize certain taxable income, or the new foreign parent corporation may be treated as a U.S. corporation for U.S. federal income tax purposes ("inversion transactions"). If the Company were treated as a U.S. corporation for U.S. federal income tax purposes, the Company and its shareholders ("Shareholders") that are not U.S. holders could be subject to adverse tax consequences. The Company believes, based on the facts and circumstances of the acquisition of the Bauer Hockey Business at the time of the Company's initial public offering of Common Shares on the TSX completed on March 10, 2011 (the "Canadian IPO") and the Company's operations that such acquisition was not an inversion transaction, but there can be no assurance that the Internal Revenue Service (the "IRS") will not challenge this conclusion.

We do not currently intend to pay dividends on our Common Shares.

We currently intend to retain future earnings, if any, for future operation, expansion and debt repayment. Any decision to declare and pay dividends on our Common Shares in the future will be made at the discretion of the board of directors of the Company (the "Board of Directors") and will depend on, among other things, our financial results, cash requirements, contractual restrictions and other factors that our Board of Directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we incur, including the Credit Facilities. As a result, Shareholders may not receive any return on an investment in the Common Shares in the foreseeable future unless their Common Shares are sold for a price greater than that which was paid for it. See "Dividends".

We are a holding company.

We are a holding company and a substantial portion of our assets are the capital stock of our subsidiaries. As a result, investors in the Company are subject to the risks attributable to our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, the Company's cash flows and ability to complete current or desirable future corporate initiatives are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Company. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Company. The Common Shares are effectively junior to indebtedness and other liabilities (including trade payables) of our subsidiaries.

An investor may be unable to bring actions or enforce judgments against us and certain of our directors.

The Company is incorporated under the laws of the Province of British Columbia. Some of our directors reside principally outside of the United States and a portion of our assets and a substantial portion of the assets of these persons are located outside the United States. Consequently, it may not be possible for an investor to effect service of process within the United States on us or those persons. Furthermore, it may not be possible for an investor to enforce judgments obtained in United States courts based upon the civil liability provisions of United States federal securities laws or other laws of the United States against us or those persons.

Risks Related to Macroeconomic Environment

Fluctuations in the value of the Canadian dollar and the U.S. dollar in relation to each other and other world currencies may impact our operating and financial results and may affect the comparability of our results between financial periods.

We are exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily changes in the value of the U.S. dollar versus other currencies such as the Canadian dollar, the euro and the Swedish krona. Exchange rate fluctuations could have an adverse effect on our results of operations. We conduct business in many geographic markets. For example, most of our supply purchases are in U.S. dollars, and historically approximately one-third of our revenues have been in Canadian dollars, and approximately 3% and 2% of our revenues have been in Swedish krona and euro, respectively. Therefore, a fluctuation in the exchange rate of the U.S. dollar versus other currencies such as the Canadian dollar, the euro and the Swedish krona, could materially affect our gross profit margins and operating results. We have entered into various arrangements to mitigate our foreign currency risk, but there can be no assurances that such arrangements will prove to be favorable to the Company.

Our consolidated financial statements are presented in accordance with U.S. GAAP, and we report, and will continue to report, our results in U.S. dollars. Some of our operations are conducted by subsidiaries in Canada or other countries outside of the United States. The results of operations and the financial position of these subsidiaries are reported in the relevant foreign currencies and then translated into U.S. dollars. Any change in the value of the Canadian dollar or of the currencies in the other markets in which we operate against the U.S. dollar during a given financial reporting period would result in a foreign currency loss or gain on the translation of U.S. dollar denominated revenues and costs. The exchange rates between many of the currencies in the other markets in which we operate against the U.S. dollar have fluctuated significantly in recent years and may fluctuate significantly in the future. Consequently, our reported earnings could fluctuate materially as a result of foreign exchange translation gains or losses and may not be comparable from period to period.

In addition, the value of a U.S. Shareholder's investment in us will fluctuate as the U.S. dollar rises and falls against the Canadian dollar. Also, if we pay dividends in the future, we may pay those dividends in Canadian dollars. In that case, and if the U.S. dollar rises in value relative to the Canadian dollar, the U.S. dollar value of the dividend payments received by U.S. Shareholders would be less than they would have been if exchange rates were stable.

The Company employs a hedging strategy that can include foreign currency forwards, interest rate contracts, and foreign exchange swaps as economic hedges. Currency hedging entails a risk of illiquidity and the risk of using hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Company if purchases at hedged rates result in lower margins than otherwise earned if purchases had been made at spot rates. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

An economic downturn or economic uncertainty in our key markets may adversely affect consumer discretionary spending and reduce sales of our products.

We sell recreational, non-essential products. The success of our business depends to a significant extent upon discretionary consumer spending. Factors affecting the level of consumer spending for such discretionary items include general economic conditions affecting disposable consumer income, particularly those in North America, and other factors such as consumer confidence in future economic conditions, fears of recession, the availability of consumer credit, levels of unemployment, tax rates and the cost of consumer credit. As global economic conditions continue to be volatile or economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions due to credit constraints and uncertainties about the future. The current volatility in the United States economy in particular has resulted in an overall slowing in growth in the retail sector because of decreased consumer spending, which may remain depressed for the foreseeable future. These unfavorable economic conditions may lead consumers to delay or reduce purchases of discretionary items including our sporting equipment and related apparel. Consumer demand for our products may not reach our sales targets, or may decline, when there is an economic downturn or economic uncertainty in our key markets, particularly in North America. Our sensitivity to

economic cycles and any related fluctuation in consumer demand could adversely affect our business and financial condition. Anticipating and forecasting such changes in discretionary consumer spending is difficult and cannot be done with certainty. We use internal forecasts to plan and make important decisions relating to our business, however these forecasts may prove to be incorrect and this can lead to negative economic consequences for the business.

Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.

We are subject to income taxes in Canada, the United States, and numerous foreign jurisdictions. Our effective income tax rate in the future could be adversely affected by a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, and the outcome of income tax audits in various jurisdictions around the world. We regularly assess all of these matters to determine the adequacy of our tax provision, which is subject to discretion. If our assessments are incorrect, it could have an adverse effect on our business and financial condition.

Changes in import/export tariff rates on our products may have an impact on our profitability. For example, on March 21, 2013, the Canadian government announced that it would reduce import tariffs on certain hockey equipment effective as of April 1, 2013 ("Canadian Tariff Reduction"). Prior to April 1, 2013, the Company's tariffs on hockey equipment imported into Canada were up to 18.0% and were included in the Company's cost of goods sold. Retroactive to April 1, 2013, Bauer Hockey reduced wholesale prices to its Canadian retail partners to reflect the lower duties on certain categories of hockey equipment. The reduced wholesale prices on affected products had a limited impact on future profitability, as the reduction in the costs of goods sold was passed on to retailers. We also reduced wholesale prices on products affected by the Canadian Tariff Reduction that were imported prior to April 1, 2013. The total amount of import tariffs paid on products imported prior to April 1, 2013 was $1.6 million, of which $1.1 million was recognized in the twelve months ended May 31, 2014. Although the Company was able to minimize the impact of the reduction of certain import tariffs on certain hockey equipment, any future change in tariffs could have an adverse effect on our business and financial condition.

Natural disasters, unusual weather, pandemic outbreaks, boycotts and geo-political events or acts of terrorism could adversely affect our operations and financial results.

The occurrence of one or more natural disasters, such as hurricanes, floods and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events, such as civil unrest in countries in which our suppliers are located and acts of terrorism, or similar disruptions could adversely affect our operations and financial results. These events could result in physical damage to one or more of our properties, increases in fuel or other energy prices, the temporary or permanent closure of one or more of our warehouses or distribution centers, the temporary lack of an adequate workforce in a market, the temporary or long-term disruption in the supply of products from some local and overseas suppliers, the temporary disruption in the transport of goods from overseas, delay in the delivery of goods to our warehouses and distribution centers, and disruption to our information systems. These factors could otherwise disrupt our operations and could have an adverse effect on our business and financial condition.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

Facilities

Our sales and distribution offices are located worldwide, as shown in the table below as of May 31, 2015:

Location	Type	Facility Size (Approx. Sq. Ft.)	Leased/Owned	Expiration
Exeter, New Hampshire	Global Headquarters	55,000	Leased	April 30, 2023
Blainville, Quebec	Hockey and Lacrosse - R&D and manufacturing	98,000	Leased	February 28, 2030
Mississauga, Ontario	Hockey - Sales, marketing and distribution	145,000	Leased	September 30, 2016
Vantaa, Finland	Hockey - Sales	4,600	Leased	May 31, 2016
Gothenburg, Sweden	Hockey - Sales, administration and marketing	8,700	Leased	September 30, 2019
Rosenheim, Germany	Hockey - Sales and marketing	3,800	Leased	May 31, 2018
Taichung, Taiwan	Asia sourcing	10,000	Leased	May 15, 2017
Irvine, California	Roller hockey - Sales and marketing	3,900	Leased	December 31, 2015
New York, New York	Lacrosse - Sales and marketing	6,000	Leased	March 31, 2016
Liverpool, New York	Lacrosse and hockey - All functions	72,000	Leased	May 31, 2016
Toronto, Ontario	Apparel - All functions	40,000	Leased	January 6, 2017
Kent, Washington	Baseball/Softball - Sales, marketing, distribution and administration	13,600	Leased	December 31, 2015
Ottawa, Ontario	Baseball/Softball - All functions	18,000	Leased	January 31, 2019
Salt Lake City, Utah	Baseball/Softball and Hockey - Distribution	140,000	Leased	November 30, 2017
Van Nuys, California	Baseball/Softball - All functions	54,000	Leased	January 31, 2016
Bentonville, Arkansas	Baseball/Softball - Showroom	820	Leased	April 14, 2017
Burlington, Massachusetts	Hockey Retail Store	25,000	Leased	July 31, 2025
Bloomington, Minnesota	Hockey Retail Store	33,000	Leased	January 31, 2024

Item 3. LEGAL PROCEEDINGS

We are from time to time involved in legal proceedings and regulatory actions of a nature considered to be in the ordinary course of business. See “Item 1A-Risk Factors - Litigation may adversely affect our business and financial results.”

We believe that none of the legal proceedings or regulatory actions in which we are currently involved, or have been involved since the beginning of the most recently completed fiscal year, individually or in the aggregate, are material to, or exceed in value 10% of the current assets of, the Company.

Item 4. MINE SAFETY DISCLOSURES

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Common Shares trade on the NYSE and on the TSX under the symbol PSG. The table below sets forth the high and low closing sale prices of the Common Shares on each of the NYSE and the TSX for the periods indicated.

	NYSE		TSX (Cdn$)	
	High	Low	High	Low
Fiscal Year Ending May 31, 2015				
Fourth quarter	$ 21.65	$ 18.41	$ 25.91	$ 23.32
Third quarter	19.96	17.49	24.35	20.20
Second quarter	17.97	15.96	20.93	17.91
First quarter	17.33	14.21	18.90	15.49
Fiscal Year Ending May 31, 2014				
Fourth quarter	N/A	N/A	$ 15.45	$ 13.93
Third quarter	N/A	N/A	14.71	12.90
Second quarter	N/A	N/A	13.81	11.77
First quarter	N/A	N/A	12.75	10.90

Holders

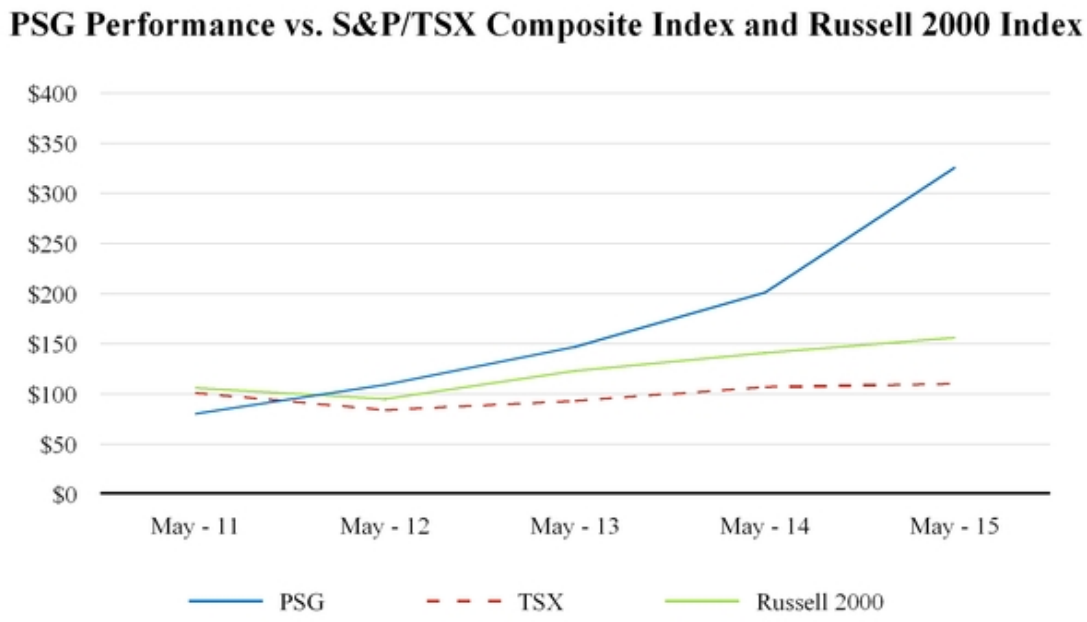
As of August 25, 2015, the approximate number of holders of record of our Common Shares was 22.

Dividends

The Company has never declared or paid any cash dividends on either its Common Shares or its proportionate voting shares (the “Proportionate Voting Shares”). The Company currently intends to use its earnings to finance the expansion of its business and to reduce indebtedness. Any future determination to pay dividends on Common Shares will be at the discretion of the Board of Directors and will depend on, among other things, the Company’s results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board of Directors may deem relevant. As of August 25, 2015, there were no Proportionate Voting Shares outstanding.

Performance Graph

The following graph compares the total cumulative return of a Cdn$100 investment in the Common Shares made on March 10, 2011, being the date on which the Common Shares started trading on the TSX, with the cumulative return on the Standard & Poor's Ratings Services ("S&P")/TSX Composite Index and the Russell 2000 Index for the same period. The graph plots the respective values on the last trading day of fiscal years 2011 through 2015. The stock performance shown on the performance graph below is not necessarily indicative of future performance.



The Company completed its Canadian IPO in March 2011 and as such, there is limited history of its Common Shares trading on the TSX and it may not be possible to draw conclusions from short-term trends. Since the Canadian IPO, the overall compensation to the Company's executive officers has increased modestly, and the Company's operating performance has steadily improved based on the following performance metrics: market share in ice hockey equipment (56% in 2015 vs. 49% in 2011), Company-wide net revenues (20.9% compound annual growth rate from Fiscal 2011 to Fiscal 2015) and Adjusted EPS (16.7% compound annual growth from Fiscal 2011 to Fiscal 2015). As discussed in "Non-GAAP Financial Measures," the Company uses Adjusted EPS, an objective performance metric, to determine annual cash bonuses payable to its executive officers for Company performance. The Company believes that year-over-year growth in Adjusted EPS will lead to long-term shareholder value. The Company does not compensate its executive officers based on its share price, which may fluctuate for factors outside the control of the Company, including macro-economic environmental risks.

Use of Proceeds from Registered Securities

The U.S. IPO was effected under a registration statement on F-10 (File No. 333-196614), which became effective upon filing with the SEC on June 19, 2014. In connection with the U.S. IPO, we registered and sold 8,161,291 Common Shares at a price per share to the public of $15.50 for an aggregate offering price of $126.5 million, including the exercise in full of the over-allotment option. Morgan Stanley, BofA Merrill Lynch and RBC Capital Markets acted as joint book-running managers for a syndicate of underwriters in connection with the U.S. IPO. The U.S. IPO closed on June 25, 2014, and we used the net proceeds of the U.S. IPO to reduce leverage and repay approximately $119.5 million of the Company's New Term Loan Facility, which was used to finance part of the purchase price in the Easton Baseball/Softball Acquisition.

Unregistered Sales of Equity Securities

The Company did not sell any unregistered securities during Fiscal 2015.

Issuer Purchases of Equity Securities

The Company has not purchased any of its Common Shares during Fiscal 2015, nor has it made any plans or established any additional programs to purchase any of its Common Shares during the same period.

Item 6. Selected Financial Data

The selected consolidated financial information set out below for the twelve months ended May 31, 2015, May 31, 2014 and May 31, 2013 has been derived from our audited annual consolidated financial statements and related notes included elsewhere in this annual report on Form 10-K. Unless otherwise specified, the Company's financial information outlined herein includes Easton Baseball/Softball's operating results from April 15, 2014.

The selected historical consolidated financial data below should be read in conjunction with "Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited annual consolidated financial statements and the related notes included elsewhere in this annual report on Form 10-K. Historical results presented herein may not be indicative of future results.

	Twelve Months Ended		
(millions of U.S. dollars, except for percentages and per share amounts)	**May 31, 2015**	**May 31, 2014**	**May 31, 2013**
Consolidated statements of income data:			
Revenues	$ 654.7	$ 446.2	$ 399.6
Adjusted Gross Profit[1]	$ 229.4	$ 164.7	$ 153.0
Adjusted Gross Profit % [1]	35.0%	36.9%	38.3%
Adjusted EBITDA [1]	$ 98.3	$ 68.9	$ 62.8
Net income	$ 3.3	$ 20.0	$ 25.2
Basic earnings per share	$ 0.07	$ 0.56	$ 0.74
Diluted earnings per share	$ 0.07	$ 0.53	$ 0.69
Adjusted Net Income [1]	$ 47.5	$ 37.3	$ 35.8
Adjusted EPS [1]	$ 1.02	$ 1.00	$ 0.98
	As of		
	May 31, 2015	**May 31, 2014**	**May 31, 2013**
Consolidated balance sheet data:			
Working Capital	$ 332.4	$ 324.8	$ 200.9
Average Working Capital as a % of revenue	52.6%	53.6%	49.6%
Total assets	$ 844.9	$ 828.6	$ 419.2
Total long-term liabilities	$ 354.8	$ 454.4	$ 185.0
Leverage Ratio	4.29	4.78	2.70

(1) Represents a non-GAAP measure. For the relevant definitions and reconciliations to reported results, see "Non-GAAP Financial Measures" in Item 7.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion summarizes our consolidated operating results, financial condition and liquidity during each of the years in the three-year period ended May 31, 2015. Our fiscal year ends May 31st. Any reference to a fiscal year is to May 31 of the year then ended. The following Management's Discussion and Analysis of our Financial Condition and Results of Operations should be read in conjunction with the consolidated financial statements and notes thereto included as part of this annual report on Form 10-K.

This discussion contains forward-looking statements that are based upon current expectations and are subject to risks, uncertainties and assumptions that could cause our results to differ materially from expectations. Factors that might cause such differences include, but are not limited to, those described under "Item 1A-Risk Factors," "Note Regarding Forward-Looking Statements" and elsewhere in this annual report on Form 10-K.

Executive Overview

Performance Sports Group Ltd. is a leading developer and manufacturer of ice hockey, roller hockey, lacrosse, baseball and softball sports equipment, as well as related apparel and soccer apparel. The Company is the global leader in hockey with the strongest and most recognized brand, and it holds the No. 1 North American position in baseball and softball. Its products are marketed under the BAUER, MISSION, MAVERIK, CASCADE, INARIA, COMBAT and EASTON brand names and are distributed by sales representatives and independent distributors throughout the world. In addition, the Company distributes its hockey products through its Burlington, Massachusetts Own The Moment Hockey Experience retail store. The Company is focused on building its leadership position by growing market share in all product categories and pursuing strategic acquisitions.

Our mission is to elevate player performance and protection through athlete insight and superior innovation. Financially, our objectives are to grow our revenues each year faster than the total market for each of our sports and grow our profitability faster than revenues in constant currency. We have a diversified and balanced business model and are focused on growth through the following opportunities:

- Significantly grow market share in Baseball/Softball - as we did with Hockey, we look to expand our market share in Baseball/Softball by investing in product development, developing a disciplined category management process and connecting with our core consumers.

- Continue to grow in Hockey - although we hold the No.1 market share position, we look to continue to expand market share in every category, with a particular focus on sticks, the largest dollar category in the industry.

- Grow apparel across all sports - the apparel market is highly fragmented and we look to grow apparel across all of our sports by leveraging the strength of our brands as well as continued R&D investments in apparel.

- Continue rapid growth in Lacrosse - Lacrosse continues to be one of the fastest growing sports in the United States and we look to grow market share, targeting market leadership by 2016. We focus our efforts on the fast-growing youth and high school markets, including the women's game.

- Continue to pursue strategic acquisitions - we are an acquirer of choice and our global operating platform is applicable for many sports. We have established an effective internal process for identifying, acquiring and integrating target companies.

Highlights of Fiscal 2015

- A 51% increase in revenues on a constant currency basis, generating $675.2 million million in revenue in Fiscal 2015, compared to $446.2 million in Fiscal 2014;

- Currency neutral Adjusted Net Income increased by 64.6%, to $61.4 million or $1.32 per diluted share, compared to $37.3 million, or $1.00 per diluted share in Fiscal 2014;

- We continued to outpace the growth of the markets in which we participate by growing market share and profitability and we continue to leverage our performance sports platform, which is improving efficiency and driving constant currency profit growth that exceeds revenue growth;

- We announced a supply chain initiative that we expect to improve pre-tax profitability of $30 million by Fiscal 2020;

- We announced a cash flow improvement initiative that is targeting an improvement in net cash flow from working capital of $30 million in Fiscal 2016;

- Our leading hockey market share strengthened, growing from 54% to 56%;

- On a constant currency basis, our total apparel sales grew approximately 36% for the year, driven by a 50% growth in team uniforms and a 50% growth in performance apparel;

- Easton Baseball/Softball continued its dominant share at the NCAA level as 17 EASTON teams competed in the NCAA College World Series;

- Maverik continued to gain momentum, signing High Point University and Penn State as college partners. Maverik sales also increased by approximately 28% for the year; and

- In January 2015, we announced our plans to open 8-10 Bauer Hockey Own The Moment Hockey Experience retail stores. The first location opened in Burlington, Massachusetts on August 15, 2015.

Factors Affecting our Performance

Seasonality

Our business demonstrates substantial seasonality, although this seasonality has been reduced as a result of the Easton Baseball/Softball Acquisition. The spring/summer season of baseball and softball is highly complementary to the fall/winter season of hockey, and our quarterly sources of revenue and profitability are more balanced throughout the year as a result. The more evenly distributed seasonality of the combined business provides more consistent working capital levels and allows us to improve our efficiency in our manufacturing, distribution and other efforts.

Generally, our highest sales volumes for hockey occur during the first quarter of our fiscal year. Our next highest sales volumes for hockey occur during the second quarter of our fiscal year. Our lowest sales volumes for hockey occur during the third quarter of our fiscal year. In ice hockey, we have three sub-brands of products - VAPOR, SUPREME and NEXUS. In certain fiscal years, we launch new products under more than one sub-brand. The launch timing of our products may change in future periods.

In lacrosse, our highest sales volumes for MAVERIK and CASCADE products occur in the second and third fiscal quarters.

In baseball/softball, our highest sales volumes for EASTON and COMBAT products occur in the third and fourth fiscal quarters. The seasonality of our baseball/softball businesses will substantially reduce the seasonality of our overall business.

The shipment of INARIA soccer products occurs substantially in the first and fourth fiscal quarters. We expect our team apparel revenues, including uniforms for ice hockey, roller hockey, lacrosse and other team sports, to align with the underlying sports' selling seasons as we expand our team apparel offering.

Revenues

We generate revenues from the sale of performance sports equipment and related apparel and accessories. We offer various cooperative marketing incentive programs to assist our sales channels with the marketing and selling of our products. These costs are recorded as a reduction of revenues. Each sport within PSG manages its own commercial organization and go-to-market strategy.

The current sales channels for our sports include (i) retailers in North America and the Nordic countries, and (ii) distributors throughout the rest of the world (principally, Western Europe, Eastern Europe, and Russia). Based on the regional mix, our revenues are generated in multiple currencies. For revenues, we are exposed to foreign currency exchange rate fluctuations of the U.S. dollar against the Canadian dollar, the euro, the Swedish krona, Norwegian krona and Danish krona.

The following table highlights revenues for the periods indicated:

(millions of U.S. dollars, except for percentages)	Twelve Months Ended May 31, 2015	Twelve Months Ended May 31, 2014	Period Over Period Growth Rate[1]
Revenues:			
Canada	$ 157.0	$ 145.3	8.1%
United States	383.3	191.0	100.7%
Rest of world	114.4	109.9	4.1%
Total Revenues	$ 654.7	$ 446.2	46.7%

(1) Twelve-month period ended May 31, 2015 vs. the twelve-month period ended May 31, 2014.

For further detail on our geographic segments data, please refer to Note 17 of the Notes to Consolidated Financial Statements.

Cost of Goods Sold

Our cost of goods sold is comprised primarily of (i) the cost of finished goods, materials and components purchased from our suppliers, manufacturing labour and overhead costs in our manufacturing facilities, (ii) supply chain-related costs, such as freight, duties, warehousing and other distribution costs, (iii) warranty costs and (iv) inventory provisions and write-offs. Our warranty costs result from a general warranty policy providing coverage against manufacturing defects. Warranties range from 30 days to one year from the date sold to the consumer, depending on the type of product. Our warranty costs are primarily driven by sales of composite ice hockey sticks and baseball bats. Amortization associated with certain acquired intangible assets, such as purchased technology and customer relationships, is also included in cost of goods sold. We also include charges to cost of goods sold resulting from the fair market value adjustment to inventory associated with certain acquired inventories.

PSG's cost of goods sold are exposed to transactional foreign currency risk in the following ways:

- PSG's entities purchase finished goods inventory directly from third party factories in U.S. dollars. These purchases generate a foreign currency exposure for those PSG entities with a functional currency other than the U.S. dollar, primarily PSG's Hockey business outside of the U.S. which has a functional currency of primarily Canadian dollars, Swedish krona and euro. As a result, a stronger U.S. dollar increases the inventory cost incurred by PSG whereas a weaker U.S. dollar decreases its cost. The Company uses foreign currency forward contracts to hedge a portion of our exposure to fluctuations in the value of the U.S. dollar against the Canadian dollar. The resulting realized gain/loss on derivatives is an economic offset to the cost of goods sold.

- We source the majority of our products from suppliers in China and Thailand and agree to buy such products in U.S. dollars. We enter into supplier agreements ranging from six to twelve months with respect to the U.S. dollar cost of our Asian-sourced finished goods. In these agreements, we adjust for changes in the relevant foreign exchange rates in which the factory labor, materials and overhead are denominated. As a result, our cost of goods sold is impacted by the fluctuations of the Chinese renminbi, Thai baht and certain other Asian currencies against the U.S. dollar. Therefore, a strengthening U.S. dollar relative to these Asian currencies decreases PSG's U.S. dollar sourced product cost, whereas a weakening U.S. dollar increases our sourced product cost. We do not currently hedge our exposure to fluctuations in the value of these factory input cost currencies.

Selling, General and Administrative Expenses

Our SG&A expenses consist primarily of costs relating to our sales and marketing activities, including salaries, commissions and related personnel costs, customer order management and support activities, advertising, trade shows, and other promotional activities. Our marketing expenses include promotional costs for launching new products, advertising, and athlete endorsement costs. Our administrative expenses consist of costs relating to information systems, legal and finance functions, professional fees, insurance, and other corporate expenses. We also include share-based payment expense, costs related to share offerings, and acquisition costs, including rebranding and integration costs, in SG&A expenses. We expect our SG&A expenses

to increase as we make investments in the Easton business, launch our Bauer Hockey retail business, and continue to invest in certain PSG platform functions.

Research and Development Expenses

R&D expenses consist primarily of salaries and related consulting expenses for technical personnel, contracts with leading research facilities, as well as materials and consumables used in product development. To date, no development costs have been capitalized. We incur most of our R&D expenses in Canada and are eligible to receive Scientific Research and Experimental Development investment tax credits for certain eligible expenditures which are recorded as a reduction to income tax expense. We currently expect our R&D expenses to grow as a result of investments in our Easton business, and as we focus on enhancing and expanding our product lines.

Interest Expense

Interest expense is derived from the financing activities of the Company and consists of interest expense on our term loan and revolving loan, and the amortization of deferred financing fees. As of May 31, 2015, the Credit Facilities consist of a $450 million New Term Loan, denominated in U.S. dollars of which $330.5 million was drawn, and a $200 million New ABL Facility, denominated in both Canadian dollars and U.S. dollars of which $92.9 million was drawn, the availability of which is subject to meeting certain borrowing base requirements. Please see “Indebtedness” for a more detailed discussion of the Credit Facilities.

Impact of Foreign Exchange and Hedging Practices

As a global company with significant operations outside the United States, in the normal course of business we are exposed to risk arising from the changes in currency exchange rates. Our primary foreign currency exposures arise from the recording of transactions denominated in non-functional currencies and the translation of foreign currency denominated results of operations, financial position, and cash flows into U.S. dollars.

Our foreign exchange risk management efforts are intended to lessen both the negative and positive effects of currency fluctuations on our consolidated results of operations, financial position, and cash flows. We manage global foreign exchange risk centrally on a portfolio basis to address those risks that are material to PSG. We manage these exposures primarily through the use of foreign exchange forward contracts, which are recorded on the consolidated statements of financial position at fair value (see Note 18 - Derivatives and Risk Management and Note 19 - Fair Value Measures in the accompanying Notes to Consolidated Financial Statements). Our hedging practices are designed to provide stability around the receipt of cash, and at least partially offset the impact of exchange rate changes on the underlying exposures being hedged. Where exposures are hedged, our program has the effect of reducing volatility in our financial results and at least delaying the impact of exchange rate movements on our consolidated financial statements when a currency’s direction is sustained over a longer period; the length of delay is dependent upon hedge horizons. We do not hold or issue derivative instruments for trading or speculative purposes.

The Company primarily uses foreign currency forward contracts to hedge the effect of changes in currency exchange rates on its product costs (see the "Cost of Goods Sold” section above). The resulting realized gain/loss on derivatives is an economic offset to the cost of goods sold that are recorded in the Company’s Gross Profit. The Company has not elected hedge accounting; therefore, the changes in the fair value of these derivatives are recognized as unrealized gains and losses through profit or loss each reporting period. In Fiscal 2015 and Fiscal 2014, the Company settled Canadian dollar forward contracts for $102.0 million and $129.5 million U.S. dollars, respectively, at a weighted average exchange rate of 1.05 and 1.00, respectively. As of May 31, 2015, the amount of Canadian dollar forward contracts outstanding is $78.0 million U.S. dollars at a weighted average exchange rate of 1.24.

The Company’s reporting currency is the U.S. dollar. Many of our foreign subsidiaries operate in functional currencies other than the U.S. dollar, the most significant of which are in Canadian Dollars, Swedish krona, and euro. Fluctuations in currency exchange rates create volatility in our reported results as we are required to translate the balance sheets, operational results, and cash flows of these subsidiaries into U.S. dollars for consolidated reporting. Balances on the statements of financial position are converted at the month-end foreign exchange rates or at historical exchange rates, and all profit and loss transactions are recognized at monthly average rates. In the translation of our Consolidated Statements of Income, a weaker U.S. dollar in relation to the Canadian Dollar, Swedish krona, and euro benefits our consolidated revenues and earnings, whereas a stronger U.S. dollar reduces our consolidated revenues and earnings. Adjustments resulting from translating foreign functional currency balance sheets into U.S. dollars are included in the foreign currency translation adjustment, a component of accumulated other comprehensive income (loss) in equity. Re-measurement gains and losses generated by the effect of foreign exchange on recorded assets and liabilities denominated in a currency different from the functional currency of the applicable entity are recorded in Foreign Exchange Gain/

Loss in the period in which they occur. The Company does not currently hedge these translation or re-measurement exposures.

In this annual report on Form 10-K, we provide the impact of foreign exchange on our various financial measures. These amounts reflect the impact of translating the current period results at the monthly foreign exchange rates of the prior year period, the effect of changes in the value of the Canadian dollar against the U.S. dollar on our cost of goods purchased for sale outside of the United States including the related realized gains/losses on derivatives described above, and the realized gains/losses generated from revaluing non-functional currency assets and liabilities. The reported foreign exchange impact does not include the impact of fluctuations in Asian currencies against the U.S. dollar and their related effect on our Asian-sourced finished goods. See the "Cost of Goods Sold" section above for a more detailed description of these foreign exchange impacts.

The following table summarizes the change in the reported U.S. dollars versus constant currency U.S. dollars for the twelve-month period ended May 31, 2015:

	Twelve Months Ended May 31, 2015			
(millions of U.S. dollars, except for per share amounts)	**Reported**	**Constant Currency [2]**	**Impact of Foreign Exchange**	**% Change**
Revenues	$ 654.7	$ 675.2	$ (20.5)	(3.0)%
Gross Profit	$ 206.4	$ 228.6	$ (22.2)	(9.7)%
Selling, general & administrative	$ 140.0	$ 143.4	$ (3.4)	(2.4)%
Research & development	$ 24.8	$ 25.6	$ (0.8)	(3.1)%
Adjusted Gross Profit [1]	$ 229.4	$ 251.8	$ (22.4)	(8.9)%
Adjusted EBITDA [1]	$ 98.3	$ 116.4	$ (18.1)	(15.5)%
Adjusted Net Income [1]	$ 47.5	$ 61.4	$ (13.9)	(22.6)%
Adjusted EPS [1]	$ 1.02	$ 1.32	$ (0.3)	(22.7)%

(1) Represents a non-GAAP measure. For the relevant definitions and reconciliations to reported results, see "Non-GAAP Financial Measures."
(2) Represents a non-GAAP measure. For the relevant definition, see "Non-GAAP Financial Measures". See "Impact of Foreign Exchange and Hedging Practices" in this Item 7 for a summary of the change in the reported U.S. dollars versus constant currency U.S. dollars for the twelve-month period ended May 31, 2015.

The following table summarizes the average of the monthly exchange rates used to translate profit or loss transactions for the periods indicated, as reported by the Wall Street Journal:

	Twelve Months Ended		
	May 31, 2015	**May 31, 2014**	**% Change**
CAD / USD	1.147	1.059	(8.3)%
EUR / USD	0.806	0.743	(8.5)%
SEK / USD	7.465	6.521	(14.5)%

Income Taxes

The Company is subject to cash taxes in the United States, Canada and Europe for federal, state, and provincial income taxes, as applicable. The Company utilizes its tax loss carry forwards, tax credits and other tax assets, as available, to offset its taxable income.

Results of Operations

The following table summarizes our results of operations for the twelve months ended May 31, 2015, May 31, 2014 and May 31, 2013 and has been derived from our audited annual consolidated financial statements and related notes.

(millions of U.S. dollars, except for percentages and per share amounts)	Twelve Months Ended		
	May 31, 2015	May 31, 2014	May 31, 2013
Revenues	$ 654.7	$ 446.2	$ 399.6
Cost of goods sold	448.3	291.8	252.4
Gross profit	$ 206.4	$ 154.4	$ 147.2
Operating expenses:			
Selling, general & administrative	140.0	104.6	90.5
Research & development	24.8	19.8	16.8
Operating income (loss)	$ 41.6	$ 30.0	$ 39.9
Interest expense, net	19.8	9.7	8.7
Derivative and foreign exchange (gain) loss	14.9	(6.3)	(1.4)
Gain on bargain purchase	—	—	(1.2)
Other expense (income)	0.2	$ 0.3	—
Income tax expense (benefit)	3.4	6.3	8.6
Net income (loss)	$ 3.3	$ 20.0	$ 25.2
Basic earnings (loss) per share	$ 0.07	$ 0.56	$ 0.74
Diluted earnings (loss) per share	$ 0.07	$ 0.53	$ 0.69
Adjusted Gross Profit [1]	$ 229.4	$ 164.7	$ 153.0
Adjusted EBITDA [1]	$ 98.3	$ 68.9	$ 62.8
Adjusted Net Income (Loss) [1]	$ 47.5	$ 37.3	$ 35.8
Adjusted EPS [1]	$ 1.02	$ 1.00	$ 0.98
As a percentage of revenues:			
Gross profit	31.5%	34.6%	36.8%
Selling, general & administrative	21.4%	23.4%	22.6%
Research & development	3.8%	4.4%	4.2%
Adjusted Gross Profit [1]	35.0%	36.9%	38.3%
Adjusted EBITDA [1]	15.0%	15.4%	15.7%

(1) Represents a non-GAAP measure. For the relevant definitions and reconciliations to reported results, see "Non-GAAP Financial Measures."

Comparison of Fiscal 2015 with Fiscal 2014

Revenues

Currency neutral revenues in the twelve-month period ended May 31, 2015 increased by $229.0 million, or 51.3%, to $675.2 million due to the addition of $175.8 million of Easton Baseball/Softball revenues, 13.3% growth in hockey revenues driven by growth in key hockey categories, and 6.1% growth in Lacrosse. Excluding the impact of the Easton Baseball/Softball Acquisition, currency neutral revenues increased by 11.9%. Currency neutral revenues in North America grew by 64.2% and increased by 12.1% in the rest of the world.

Including the impact of foreign exchange, revenues increased by $208.5 million, or 46.7% to $654.7 million. Overall revenues in North America grew by 60.8%, primarily as a result of the Easton Baseball/Softball Acquisition, and increased by 4.0% in the rest of the world. The translation impact of foreign exchange in the twelve-month period ended May 31, 2015 decreased our reported revenues by $20.5 million compared to the prior year.

For further detail on our revenues, please refer to the "Segment Results" section.

Cost of goods sold

Cost of goods sold in the twelve-month period ended May 31, 2015 increased by $156.5 million, or 53.6%, to $448.3 million driven by the increase in cost of goods sold as a result of higher revenues, higher purchase accounting related amortization and non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition and costs related to the lacrosse helmet decertification. The impact of foreign exchange for the twelve-month period ended May 31, 2015 increased our reported cost of goods sold expenses by $1.8 million compared to prior year.

Gross Profit

Currency neutral gross profit in the twelve-month period ended May 31, 2015 increased by $74.3 million, or 48.1%, to $228.6 million driven by higher revenues, partially offset by higher purchase accounting related amortization and non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition and costs related to the lacrosse helmet decertification. As a percentage of revenues, currency neutral gross profit decreased to 33.9% for the twelve-month period ended May 31, 2015 from 34.6% in the twelve-month period ended May 31, 2014.

Including the impact of foreign exchange, gross profit in the twelve-month period ended May 31, 2015 increased by $52.1 million, or 33.7%, to $206.4 million driven by the factors mentioned above, partially offset by an unfavorable impact from foreign exchange. As a percentage of revenues, gross profit decreased to 31.5% for the twelve-month period ended May 31, 2015 from 34.6% in the twelve-month period ended May 31, 2014 driven by the unfavorable impact from foreign exchange partially offset by the addition of Easton Baseball/Softball (including the aforementioned purchase accounting related amortization and non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories). The impact of foreign exchange in the twelve-month period ended May 31, 2015 decreased gross profit by $22.2 million compared to the prior year. See “Factors Affecting our Performance - Cost of Goods Sold” and “Liquidity and Capital Resources” for more detail on our product costs.

Adjusted Gross Profit

Currency neutral Adjusted Gross Profit (removing purchase accounting related amortization, non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition and costs related to the lacrosse helmet decertification) in the twelve-month period ended May 31, 2015 increased by $87.1 million, or 52.9%, to $251.8 million. Currency neutral Adjusted Gross Profit as a percentage of revenues increased to 37.3% for the twelve-month period ended May 31, 2015 from 36.9% for the twelve-month period ended May 31, 2014 driven by the addition of Easton Baseball/Softball, which has significantly higher adjusted gross margins than the Company’s prior year levels. Including the impact of foreign exchange, Adjusted Gross Profit in the twelve-month period ended May 31, 2015 increased by $64.7 million, or 39.3%, to $229.4 million. Adjusted Gross Profit as a percentage of revenues decreased to 35.0% for the twelve-month period ended May 31, 2015 from 36.9% for the twelve-month period ended May 31, 2014 driven by an unfavorable impact from foreign exchange, partially offset by the addition of Easton Baseball/Softball. Please see the Adjusted Gross Profit table for the reconciliation of gross profit to Adjusted Gross Profit in the “Non-GAAP Financial Measures” section.

Selling, General and Administrative Expenses

SG&A expenses in the twelve-month period ended May 31, 2015 increased by $35.4 million, or 33.9%, to $140.0 million, due to the addition of Easton Baseball/Softball, the impact of the gain from the BRG Sports intellectual property litigation settlement in the fourth quarter of Fiscal 2014, higher share-based payment expense and costs related to the lacrosse helmet decertification. Excluding the impact of acquisition-related costs, costs related to share offerings, share-based payment expense, and costs related to the lacrosse helmet decertification, our SG&A expenses increased by $33.0 million, or 37.5%, to $121.2 million driven by the addition of Easton Baseball/Softball SG&A, and the impact of the gain from the BRG Sports intellectual property litigation settlement in the fourth quarter of Fiscal 2014.

As a percentage of revenues, our SG&A expenses (including acquisition-related charges, costs related to share offerings, share-based payment expense, and costs related to the lacrosse helmet decertification) decreased to 21.4% for the twelve-month period ended May 31, 2015 from 23.4% of revenues for the twelve-month period ended May 31, 2014. Excluding acquisition-related charges, costs related to share offerings, share-based payment expense, and costs related to the lacrosse helmet decertification, SG&A expenses as a percentage of revenue decreased to 18.5% for the twelve-month period ended May 31, 2015 from 19.8% of revenues for the twelve-month period ended May 31, 2014. The translation impact of foreign exchange for the twelve-month period ended May 31, 2015 decreased our reported SG&A expenses by $3.4 million compared to prior year.

Research and Development Expenses

R&D expenses in the twelve-month period ended May 31, 2015 increased by $5.0 million, or 25.5%, to $24.8 million due to the addition of Easton Baseball/Softball and our continued focus on product development efforts. As a percentage of revenues, our R&D expenses decreased to 3.8% for the twelve-month period ended May 31, 2015 from 4.4% for the twelve-month period ended May 31, 2014, driven by the addition of Easton Baseball/Softball, which historically has spent less on R&D expenses as a percentage of sales than the Company's prior year levels. The translation impact of foreign exchange for the twelve-month period ended May 31, 2015 decreased our reported R&D expenses by $0.8 million compared to prior year.

Adjusted EBITDA

Currency neutral Adjusted EBITDA in the twelve-month period ended May 31, 2015 increased by $47.5 million, or 69.0%, to $116.4 million from $68.9 million due to a $35.2 million increase in Baseball/Softball Segment EBITDA resulting from the addition of Easton Baseball/Softball and a $17.9 million currency neutral increase in Hockey Segment EBITDA, partially offset by an increase in unallocated PSG corporate expenses resulting from the gain from the BRG Sports intellectual property litigation settlement in the fourth quarter of Fiscal 2014. As a percentage of revenues, currency neutral Adjusted EBITDA increased to 17.2% for the twelve-month period ended May 31, 2015 from 15.4% for the twelve-month period ended May 31, 2014, driven primarily by the addition of Easton Baseball/Softball. Including the impact of foreign exchange, Adjusted EBITDA in the twelve-month period ended May 31, 2015 increased by $29.4 million, or 42.7%, to $98.3 million from $68.9 million due, driven by the above factors and an unfavorable impact from foreign exchange of $18.1 million. As a percentage of revenues, Adjusted EBITDA decreased to 15.0% for the twelve-month period ended May 31, 2015 from 15.4% for the twelve-month period ended May 31, 2014, driven by the addition of Easton Baseball/Softball, offset by the unfavorable impact from foreign exchange. Please see the Adjusted EBITDA table for the reconciliation of net income to Adjusted EBITDA in the "Non-GAAP Financial Measures" section.

Interest Expense, net

Interest expense in the twelve-month period ended May 31, 2015 increased by $10.1 million, or over 100%, to $19.8 million from $9.7 million driven by the new debt issued to fund the Easton Baseball/Softball Acquisition.

Derivative and Foreign Exchange Gains/Losses

Realized gain on derivatives increased $0.8 million, or 13.0% , to a gain of $6.9 million from a gain of $6.1 million, driven by the continued devaluation of the Canadian dollar relative to the hedge rates in effect on the Company's forward contracts.

Unrealized loss on derivatives increased $0.2 million, or 9.4%, to a loss of $2.2 million from a loss of $2.0 million. The Company has not elected hedge accounting and therefore the changes in the fair value of derivative contracts are recognized through profit or loss each reporting period.

Foreign exchange (gain) loss decreased $24.4 million, to a loss of $19.6 million from a gain of $4.8 million. The foreign exchange gain/loss represents the realized and unrealized gains/losses generated from revaluing non-functional currency assets and liabilities to their respective functional currency. The realized foreign exchange gain increased $0.4 million to a gain of $1.7 million, from a gain of $1.3 million.

Income Taxes

Income tax expense for the twelve-month period ended May 31, 2015 decreased by $2.9 million to $3.4 million from $6.3 million in the twelve-month period ended May 31, 2014. The Company's effective tax rate was 50.6%, compared to 23.9% for the same period in the prior year. The increase in the effective tax rate was due to a relatively low amount of income before income tax and the non-recognition of tax benefits from unrealized losses on capital items in the current year period, partially offset by the tax benefits derived from the financing of the Easton Baseball/Softball Acquisition.

Net Income

Net income in the twelve-month period ended May 31, 2015 decreased by $16.7 million, or 83.6%, to $3.3 million from net income of $20.0 million in the twelve-month period ended May 31, 2014 driven by the operating results described above in the Adjusted EBITDA section, which were more than offset by the unfavorable change in the unrealized foreign exchange (gains) and losses, higher purchase accounting related amortization and non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition, higher interest expense, higher share-based payment expense, and costs related to the lacrosse helmet decertification. The impact of foreign exchange for the twelve-month

period ended May 31, 2015 decreased our net income by $13.8 million compared to the prior year.

Adjusted Net Income

Currency neutral Adjusted Net Income in the twelve-month period ended May 31, 2015, increased by $24.1 million, or 64.6%, to $61.4 million from $37.3 million in the twelve-month period ended May 31, 2014 driven by the operating results reflected in the Adjusted EBITDA section which were partially offset by higher interest expense resulting from the Easton Baseball/Softball Acquisition, higher taxes, and an unfavorable impact from realized foreign exchange (gains) and losses. Including the impact from foreign exchange, Adjusted Net Income in the twelve-month period ended May 31, 2015, increased by $10.2 million, or 27.3%, to $47.5 million from $37.3 million in the twelve-month period ended May 31, 2014 driven by the factors described above and an unfavorable impact from foreign exchange of $13.9 million. Adjusted Net Income/Loss removes unrealized foreign exchange gains/losses, acquisition-related charges, share-based payment expense, and other one-time or non-cash expenses. Please see the Adjusted Net Income/Loss table in the "Non-GAAP Financial Measures" section for the reconciliation of net income (loss) to Adjusted Net Income/Loss and Adjusted EPS.

Comparison of Fiscal 2014 with Fiscal 2013

Revenues

Revenues in the twelve-month period ended May 31, 2014 increased by $46.6 million, or 11.7%, to $446.2 million due to strong growth in apparel, the addition of Easton Baseball/Softball and Combat Sports revenues, and continued growth in lacrosse and hockey, which grew 19.0% and 4.1%, respectively. Apparel revenues grew by 42.0% driven by the addition of hockey, lacrosse and soccer uniforms, 30.1% growth in off-ice team apparel, 27.0% growth in our base layer performance apparel, and 34.2% growth in lifestyle apparel.

Excluding the impact of foreign exchange, revenues increased 13.7%, and excluding the impact of foreign exchange, the impact of lower wholesale prices as a result of the Canadian Tariff Reduction, and the impact of the Easton Baseball/Softball, Inaria, Cascade, and Combat Sports acquisitions, revenues increased 6.5%. Overall revenues in North America grew by 13.8% and increased by 5.6% in the rest of the world. The translation impact of foreign exchange in the twelve-month period ended May 31, 2014 decreased our reported revenues by $8.3 million compared to the prior year.

For further detail on our revenues, please refer to the "Segment Results" section.

Cost of goods sold

Cost of goods sold in the twelve-month period ended May 31, 2014 increased by $39.4 million, or 15.6%, to $291.8 million, driven by the increase in cost of goods sold as a result of higher revenues, higher purchase accounting related amortization and non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition, and higher initial costs to support the growth in the uniforms business. The impact of foreign exchange for the twelve-month period ended May 31, 2014 did not have a significant impact on our reported cost of goods sold expenses as compared to the prior year.

Gross Profit

Gross profit in the twelve-month period ended May 31, 2014 increased by $7.2 million, or 4.9%, to $154.4 million. Gross profit was favorably impacted by higher revenues, partially offset by higher purchase accounting related amortization and charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition and the cost of duty paid on products imported prior to the Canadian Tariff Reduction.

As a percentage of revenues, gross profit decreased to 34.6% for the twelve-month period ended May 31, 2014 from 36.8% in the twelve-month period ended May 31, 2013 driven by the above items, an unfavorable impact from foreign exchange, and higher initial costs to support the growth in the uniforms business. The translation impact of foreign exchange in the twelve-month period ended May 31, 2014 decreased gross profit by $3.9 million compared to the prior year. See "Factors Affecting our Performance - Cost of Goods Sold" and "Liquidity and Capital Resources" for more detail on our product costs.

Adjusted Gross Profit

Adjusted Gross Profit in the twelve-month period ended May 31, 2014 increased by $11.7 million, or 7.6%, to $164.7 million. Adjusted Gross Profit as a percentage of revenues decreased to 36.9% for the twelve-month period ended May 31, 2014

from 38.3% for the twelve-month period ended May 31, 2013 driven by the unfavorable impact from foreign exchange and higher initial costs to support the growth in the uniforms business described above, which more than offset higher margins on ice hockey equipment. Please see the Adjusted Gross Profit table for the reconciliation of gross profit to Adjusted Gross Profit in the "Non-GAAP Financial Measures" section.

Selling, General and Administrative Expenses

SG&A expenses in the twelve-month period ended May 31, 2014 increased by $14.1 million, or 15.6%, to $104.6 million, due to higher acquisition related-costs, the addition of Easton Baseball/Softball and Combat Sports, an additional four and a half months of Inaria expenses in Fiscal 2014, higher share-based payment expense, partially offset by the $6.0 million gain from the Easton litigation settlement. Excluding the impact of acquisition-related charges (which do not include the Easton litigation settlement), costs related to share offerings, and share-based payment expense, SG&A expenses increased by $8.4 million, or 10.6%, to $88.2 million driven by the SG&A expenses from the acquisitions noted above, additional hires to support the growth of the business, higher selling expenses to support the higher revenues, higher endorsement expense in Fiscal 2014 as compared to Fiscal 2013 during which the NHL Lockout occurred, and higher legal expenses to support intellectual property litigation related matters, offset by the $6.0 million gain from the Easton litigation settlement.

As a percentage of revenues, our SG&A (including acquisition-related charges, costs related to share offerings, and share-based payment expense) increased to 23.4% for the twelve-month period ended May 31, 2014 from 22.6% of revenues for the twelve-month period ended May 31, 2013. Excluding the impact of acquisition-related charges (which do not include the Easton litigation settlement), costs related to share offerings, share-based payment expense, and the Easton litigation settlement, SG&A expenses as a percentage of revenues decreased slightly to 19.8% for the twelve-month period ended May 31, 2014 from 20.0% of revenues for the twelve-month period May 31, 2013. The translation impact of foreign exchange for the twelve-month period ended May 31, 2014 decreased our reported SG&A expenses by $1.4 million compared to prior year.

Research and Development Expenses

R&D expenses in the twelve-month period ended May 31, 2014 increased by $3.0 million, or 17.6%, to $19.8 million, due to our continued focus on product development efforts and the addition of Easton Baseball/Softball and Combat Sports. As a percentage of revenues, our R&D expenses increased to 4.4% for the twelve-month period ended May 31, 2014 from 4.2% of revenues for the twelve-month period ended May 31, 2013. The translation impact of foreign exchange for the twelve-month period ended May 31, 2014 decreased our reported R&D expenses by $0.5 million compared to prior year.

Adjusted EBITDA

Adjusted EBITDA in the twelve-month period ended May 31, 2014 increased $6.1 million, or 9.7%, to $68.9 million from $62.8 million for the twelve-month period ended May 31, 2013 due to higher Adjusted Gross Profit, a favorable change in realized gain on derivatives, which are included in finance income, and the impact of the Easton litigation settlement, partially offset by higher R&D and SG&A spending and the unfavorable impact of foreign exchange. As a percentage of revenues, Adjusted EBITDA decreased slightly to 15.4% for the twelve-month period ended May 31, 2014 from 15.7% for the twelve-month period ended May 31, 2013. The translation impact of foreign exchange for the twelve-month period ended May 31, 2014 decreased Adjusted EBITDA by $3.0 million compared to prior year. Please see the Adjusted EBITDA table for the reconciliation of net income to Adjusted EBITDA in the "Non-GAAP Financial Measures" section.

Derivative and Foreign Exchange Gains/Losses

Realized gain on derivatives increased $5.8 million, or greater than 100.0%, to a gain of $6.1 million from a gain of $0.3 million driven by the devaluation of the Canadian dollar relative to the hedge rates in effect on the Company's forward contracts.

Unrealized gain/loss on derivatives decreased $2.9 million to a loss of $2.0 million from a gain of $0.9 million. The Company has not elected hedge accounting and therefore the changes in the fair value of derivative contracts are recognized through profit or loss each reporting period.

Foreign exchange (gain) loss increased $4.3 million, to a gain of $4.8 million from a gain of $0.5 million. The foreign exchange (gain) loss represents the realized and unrealized (gain) loss generated from revaluing non-functional currency assets and liabilities to their respective functional currency. The realized foreign exchange gain increased $0.9 million, to a gain of $1.3 million from a gain of $0.4 million.

Income Taxes

Income tax expense for the twelve-month period ended May 31, 2014 decreased by $2.4 million from $8.6 million to $6.3 million. The Company's effective tax rate was 23.9%, compared to 25.5% for the same period in the prior year. The decrease in the annual effective tax rate was primarily due to a larger proportion of pre-tax income earned in lower-tax jurisdictions than in the prior year, partially offset by benefits recorded in the prior year related to specific income tax matters that did not occur in the year ended May 31, 2014.

Net Income

Net income in the twelve-month period ended May 31, 2014 decreased by $5.2 million, or 20.8%, to $20.0 million from net income of $25.2 million in the twelve-month period ended May 31, 2013 as the growth in Adjusted EBITDA and lower tax rate described above, were more than offset by higher acquisition-related charges, higher share-based payment expense, an unfavorable change in the unrealized (gain) loss on derivatives, the loss on extinguishment of debt, and higher interest expense. The translation impact of foreign exchange for the twelve-month period ended May 31, 2014 decreased the Company's net income by $2.0 million compared to prior year.

Adjusted Net Income

Adjusted Net Income in the twelve-month period ended May 31, 2014 increased by $1.5 million, or 4.1%, to $37.3 million from $35.8 million in the twelve-month period ended May 31, 2013 driven by the operating results reflected in the Adjusted EBITDA section which was partially offset by higher interest expense and a higher tax rate as a result of favorable prior period tax items recorded in the twelve months ended May 31, 2013. Adjusted Net Income/Loss removes unrealized foreign exchange (gain) loss, acquisition-related charges, share-based payment expense, costs related to share offerings, and other one-time or non-cash expenses. Please see the Adjusted Net Income/Loss table in the "Non-GAAP Financial Measures" section for the reconciliation of net income to Adjusted Net Income/Loss and Adjusted EPS.

Segment Results

The Company has two reportable operating segments: (i) Hockey and (ii) Baseball/Softball. The remaining operating segments do not meet the criteria for a reportable segment and are included in Other Sports. The Hockey segment includes the BAUER and MISSION brands. The Baseball/Softball segment includes the EASTON and COMBAT brands. Other Sports includes the Lacrosse and Soccer operating segments, which includes the MAVERIK, CASCADE, and INARIA brands. The Hockey segment sales channels include: (i) direct sales to retailers in North America and the Nordic countries, (ii) distributors throughout the rest of the world (principally, Western Europe, Eastern Europe, and Russia), and (iii) direct sales to teams. The Baseball/Softball segment sales channels primarily consist of retailers and distributors in North America. The Other Sports segment sales channels primarily include retailers and distributors in North America and direct sales to teams and sports associations.

These operating segments were determined based on the management structure established in the fourth quarter of Fiscal 2014 and the financial information, among other factors, reviewed by the Chief Operating Decision Maker ("CODM") to assess segment performance. The decisions concerning assessing the performance of segments and allocation of resources to the segments are based on segments' revenues and segment EBITDA.

Segmented operating results and other financial information for the twelve-month periods ended May 31, 2015, May 31, 2014 and May 31, 2013 is presented in the following table:

(millions of U.S. dollars, except for percentages)	Twelve Months Ended May 31, 2015	May 31, 2014	May 31, 2013	% Change (1)	% Change (Constant $) (2)	% Change (3)	% Change (Constant $) (4)
Revenues:							
Hockey	$ 418.4	$ 386.2	$ 370.9	8.3%	13.3%	4.1%	6.2%
Baseball/Softball	199.3	24.5	0.1	> 100.0%	> 100.0%	> 100.0%	> 100.0%
Other Sports	36.9	35.5	28.6	4.1%	5.5%	24.1%	25.3%
Total Revenues	$ 654.7	$ 446.2	$ 399.6	46.7%	51.3%	11.7%	13.7%
Segment EBITDA (5)(6)							
Hockey	$ 66.6	$ 67.2	66.1	(1.0)%	26.6%	1.7%	4.0%
Baseball/Softball	35.9	0.5	(0.6)	> 100.0%	> 100.0%	> 100.0%	> 100.0%
Other Sports	3.5	3.4	2.5	1.2%	(0.6)%	37.7%	38.9%
Total Segment EBITDA (5) (6)	$ 106.0	$ 71.1	$ 68.0	48.8%	74.5%	4.6%	7.0%

(1) Twelve-month period ended May 31, 2015 vs. the twelve-month period ended May 31, 2014.
(2) Represents the change in the constant currency U.S. dollars for the twelve-month period ended May 31, 2015 vs. the reported twelve-month period ended May 31, 2014. Results have been restated using actual exchange rates in use during the comparative period to enhance the visibility of the underlying business trends by excluding the impact of foreign currency exchange fluctuations.
(3) Twelve-month period ended May 31, 2014 vs. the twelve-month period ended May 31, 2013.
(4) Represents the change in the constant currency U.S. dollars for the twelve-month period ended May 31, 2014 vs. the reported twelve-month period ended May 31, 2013. Results have been restated using actual exchange rates in use during the comparative period to enhance the visibility of the underlying business trends by excluding the impact of foreign currency exchange fluctuations.
(5) Represents a non-GAAP financial measure.For the relevant definitions and reconciliations to reported results, see “Non-GAAP Financial Measures".
(6) Certain PSG functional platform costs are directly allocated to each operating segment based on usage or other relevant operational metrics. PSG’s functional platform costs consist of expenses incurred by centrally managed functions, including global information systems, finance and legal, distribution and logistics, sourcing and manufacturing, and other miscellaneous costs.

Fiscal 2015 compared to Fiscal 2014

Hockey

Currency neutral Hockey revenues increased by $51.4 million, or 13.3% driven by 18.6% growth in helmets resulting from the launch of the RE-AKT 100 helmet and continued growth in the retail team business, 15.6% growth in composite sticks due to the strong demand for the new SUPREME and VAPOR family of sticks, 10.1% growth in protective equipment, and 7.4% growth in skates due to a two family launch of NEXUS and VAPOR products compared to the one family SUPREME launch in Fiscal 2014 as well as strong sales for the VAPOR 1X skate. Hockey apparel revenues grew by 36.4% driven by strong growth in all apparel categories which includes performance apparel, uniforms, off-ice team apparel, lifestyle apparel and bags. Including the impact of foreign exchange, reported Fiscal 2015 Hockey revenues increased by $32.2 million, or 8.3%, driven by growth in all hockey equipment categories and strong growth in apparel, partially offset by an unfavorable impact from foreign exchange.

Currency neutral Hockey segment EBITDA increased by $17.9 million, or 26.6% driven by the higher revenues described above, higher gross margins and lower R&D and SG&A spending as a percent of sales. Hockey gross margins improved as a result of higher margins on hockey uniforms driven by the higher initial costs to support uniforms growth in Fiscal 2014, which more than offset the impact of growth in sticks and apparel which carry slightly lower gross margins than other ice hockey equipment categories. Including the impact of foreign exchange, reported Fiscal 2015 Hockey segment EBITDA decreased by $0.6 million, or 1.0%, to $66.6 million driven by the significant impact of foreign exchange, which more than offset the impacts described above.

Baseball/Softball

Baseball/Softball revenue in Fiscal 2015 increased by $174.9 million, or greater than 100%, to $199.3 million due to the addition of Easton Baseball/Softball.

Baseball/Softball segment EBITDA in Fiscal 2015 increased by $35.4 million, or greater than 100%, to $35.9 million due to the addition of Easton Baseball/Softball.

Other Sports

Revenues in our Other Sports segment in Fiscal 2015 increased by $1.5 million, or 4.1%, to $36.9 million due to 6.0% growth in lacrosse sales driven by 28.0% growth in MAVERIK lacrosse equipment and the addition of team uniforms, partially offset by a 3.9% decline in lacrosse helmet sales as a result of the NOCSAE decertification in November 2014. Growth in MAVERIK lacrosse equipment was led by strong demand for the new line of heads and shafts, as well as strong growth in the new line of protective equipment and team gloves.

Other Sports segment EBITDA in Fiscal 2015 increased by $0.1 million, or 1.2%, driven by the impact of higher revenues, which was largely offset by lower gross margins in our lacrosse business as a result of the decline in helmet sales, and higher sales and marketing expenses in our soccer segment.

Fiscal 2014 compared to Fiscal 2013

Hockey

Hockey revenues were $386.2 million in Fiscal 2014, compared to $370.9 million in Fiscal 2013, an increase of $15.3 million or 4.1%. The increase in Hockey revenues was driven by 4.1% growth in ice hockey equipment and 40.3% growth in hockey apparel, partially offset by unfavorable impacts from foreign exchange and the impact of lower wholesale prices as a result of the Canadian Tariff Reduction. Ice hockey equipment revenue growth was driven by 4.2% growth in sticks, 4.4% growth in protective equipment, 3.7% growth in skates, and 19.5% growth in accessories due to strong demand for the TUUK LIGHTSPEED EDGE holder and replacement steel blades. Hockey apparel growth was driven by the addition of team uniforms, 30.1% growth in off-ice team apparel, 27.0% growth in our base layer performance apparel, and 34.0% growth in lifestyle apparel. Excluding the impact of foreign exchange and the impact of lower wholesale prices as a result of the Canadian Tariff Reduction, Hockey revenues increased by 6.9%.

Hockey segment EBITDA in Fiscal 2014 increased by $1.1 million, or 1.7%, driven by higher gross margins in ice hockey equipment, partially offset by the impact of foreign exchange and higher initial costs to support the growth in the uniforms business. Excluding the impact of foreign exchange, Hockey segment EBITDA increased by $2.7 million, or 4.0%.

Baseball/Softball

Baseball/Softball revenue was $24.5 million in Fiscal 2014, compared to $0.1 million in Fiscal 2013, an increase of $24.4 million or greater than 100%. The increase in Baseball/Softball revenue resulted from the Easton Baseball/Softball Acquisition in April 2014 and the Combat Acquisition in May 2013.

Baseball/Softball segment EBITDA in Fiscal 2014 increased by $1.1 million, from a loss of $0.6 million to income of $0.5 million due to the addition of Easton Baseball/Softball. The increase in Baseball/Softball segment EBITDA resulted from the Easton Baseball/Softball Acquisition in April 2014, and the Combat Acquisition in May 2013.

Other Sports

Other Sports revenues were $35.5 million in Fiscal 2014, compared to $28.6 million in Fiscal 2013, an increase of $6.9 million or 24.1%. The increase in Other Sports revenues was driven by 19.0% growth in Lacrosse as a result of strong demand for the new CASCADE “R” helmet, the new line of Maverik products, including the launch of a women’s product line, and twelve months of Cascade sales in Fiscal 2014 as compared to eleven months in Fiscal 2013. Additionally, Other Sports revenue growth benefited from a full year of Inaria soccer uniform sales compared to four and a half months in Fiscal 2013.

Other Sports segment EBITDA in Fiscal 2014 increased by $0.9 million, or 37.7%, driven by the revenue growth in Lacrosse and improvement in Soccer segment EBITDA resulting from the impact of a full year of Inaria soccer uniform sales and the integration of Inaria into the PSG platform.

For operating segments data and geographic segments data, please refer to Note 17 of the Notes to Consolidated Financial Statements.

Non-GAAP Financial Measures

This annual report on Form 10-K makes reference to certain non-GAAP measures. These non-GAAP measures are not recognized measures under U.S. GAAP and do not have a standardized meaning prescribed by U.S. GAAP. When used, these measures are defined in such terms as to allow the reconciliation to the closest U.S. GAAP measure. These measures are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those U.S. GAAP measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analyses of the Company's financial information reported under U.S. GAAP. We use non-GAAP measures, such as Adjusted Net Income/Loss, Adjusted EPS, Adjusted EBITDA and Adjusted Gross Profit, to provide investors with a supplemental measure of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. We also use non-GAAP measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and to assess our ability to meet our future debt service, capital expenditure, and working capital requirements.

Constant Currency

The Company also presents certain information related to our current period results of operations in this Item 7 through "constant currency", which is a non-GAAP financial measure and should be viewed as a supplement to our results of operations and presentation of reportable segments under U.S. GAAP. These amounts reflect the impact of translating the current period results at the monthly foreign exchange rates of the prior year period, the effect of changes in the value of the Canadian dollar against the U.S. dollar on our cost of goods purchased for sale outside of the United States including the related realized gains/losses on derivatives described above, and the realized gains/losses generated from revaluing non-functional currency assets and liabilities. The reported foreign exchange impact does not include the impact of fluctuations in Asian currencies against the U.S. dollar and their related effect on our Asian-sourced finished goods. Constant currency is used to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations. We also use the terms "currency neutral" or "excluding the impact of foreign currency" to describe the constant currency impact. See "Factors Affecting Our Performance - Impact of Foreign Exchange and Hedging Practices" and "Results of Operations - Segment Results".

The definition and reconciliation of Adjusted Gross Profit, Adjusted EBITDA, Adjusted Net Income/Loss, and Adjusted EPS used and presented by the Company to the most directly comparable U.S. GAAP measures follows below.

Adjusted Gross Profit

Adjusted Gross Profit is defined as gross profit plus the following expenses which are part of cost of goods sold: (i) amortization and depreciation of intangible assets, (ii) charges to cost of goods sold resulting from fair market value adjustments to inventory as a result of business acquisitions, (iii) reserves established to dispose of obsolete inventory acquired from acquisitions, and (iv) other one-time or non-cash items. We use Adjusted Gross Profit as a key performance measure to assess our core gross profit and as a supplemental measure to evaluate the overall operating performance of our cost of goods sold.

The table below provides the reconciliation of gross profit to Adjusted Gross Profit:

	Twelve Months Ended May 31,		
(millions of U.S. dollars)	**2015**	**2014**	**2013**
Gross profit	$ 206.4	$ 154.3	$ 147.2
Amortization & depreciation of intangible assets [1]	13.6	4.8	3.6
Inventory step-up/step-down & reserves [2]	7.0	4.6	1.7
Other [3]	2.4	1.0	0.5
Adjusted Gross Profit	$ 229.4	$ 164.7	$ 153.0

(1) Upon completion of the purchase of the Bauer business from Nike in 2008, the Maverik Acquisition in 2010, the Cascade Acquisition in June 2012, the Inaria Acquisition in October 2012, the Combat Acquisition in May 2013, and the Easton Baseball/Softball Acquisition in April 2014, the Company capitalized acquired intangible assets at fair market value. These intangible assets, in addition to other intangible assets subsequently acquired, are amortized over their useful life and we recognize the amortization as a non-cash cost of goods sold.

(2) Upon completion of the Inaria, Combat Sports and Easton Baseball/Softball acquisitions, the Company adjusted Inaria's, Combat Sports' and Easton Baseball/Softball's inventories to fair market value. Included in the twelve-month periods ended May 31, 2015, May 31, 2014 and May 31, 2013 are charges to cost of goods sold resulting from the fair market value adjustment to inventory. This line also includes costs associated with the integration of the Inaria Acquisition in the twelve-month period ended May 31, 2014.

(3) Other represents the impact of costs related to the lacrosse helmet decertification for the twelve-month period ended May 31, 2015. Other represents the impact of the Canadian Tariff Reduction for the twelve-month periods ended May 31, 2014 and May 31, 2013.

See "Factors Affecting our Performance - Impact of Foreign Exchange and Hedging Practices" for Adjusted Gross Profit in constant currency.

Adjusted EBITDA

Adjusted EBITDA is defined as net income adjusted for income tax expense, depreciation and amortization, losses related to amendments to the credit facilities, gain or loss on disposal of fixed assets, net interest expense, deferred financing fees, unrealized gains/losses on derivative instruments, and realized and unrealized gains/losses related to foreign exchange revaluation, and before restructuring and other one-time or non-cash charges associated with acquisitions, other one time or non-cash items, costs related to share offerings, as well as share-based payment expenses. We use Adjusted EBITDA as the key metric in assessing our business performance when we compare results to budgets, forecasts and prior years. Management believes Adjusted EBITDA is an important measure of operating performance and cash flow, and provides useful information to investors because it highlights trends in the business that may not otherwise be apparent when relying solely on U.S. GAAP measures, and eliminates items that have less bearing on operating performance and cash flow. It is an alternative to measure business performance to net income and operating income, and management believes Adjusted EBITDA is a better measure of cash flow generation than, for example, cash flow from operations, particularly because it removes cash flow fluctuations caused by extraordinary changes in working capital. Adjusted EBITDA is used by management in the assessment of business performance and used by our Board of Directors as well as our lenders in assessing management's performance. It is also the key metric in determining payments under incentive compensation plans.

The table below provides the reconciliation of net income (loss) to Adjusted EBITDA:

	Twelve Months Ended May 31,		
(millions of U.S. dollars)	**2015**	**2014**	**2013**
Net income (loss)	$ 3.3	$ 20.0	$ 25.2
Income tax expense (benefit)	3.4	6.3	8.6
Depreciation & amortization	21.3	11.1	8.3
Loss on extinguishment of debt	—	2.6	0.3
Gain on bargain purchase	—	—	(1.2)
Loss on disposal of fixed assets	—	0.2	—
Interest expense, net	17.3	8.1	7.3
Deferred financing fees	2.5	1.6	1.5
Unrealized (gain)/loss on derivative instruments, net (1)	2.2	2.0	(0.9)
Foreign exchange (gain)/loss (1)	19.6	(4.8)	(0.5)
EBITDA	$ 69.6	$ 47.1	$ 48.6
Acquisition Related Charges:			
Inventory step-up/step-down & reserves (2)	7.0	4.6	1.7
Rebranding/integration costs (3)	8.7	3.7	3.2
Acquisition costs (4)	2.3	7.3	2.6
Subtotal	$ 18.0	$ 15.6	$ 7.5
Costs related to share offerings (5)	0.1	0.5	0.8
Share-based payment expense	7.1	4.7	4.2
Other(6)	3.5	1.0	1.7
Adjusted EBITDA	$ 98.3	$ 68.9	$ 62.8

(1) The unrealized gain/loss on derivatives is the change in fair market value of the foreign currency forward contracts and interest rate contracts. The Company has not elected hedge accounting and therefore the changes in the fair value of these derivatives are recognized through profit or loss each reporting period. The foreign exchange gain/loss is the realized and unrealized gains and losses generated by the effect of foreign exchange on recorded assets and liabilities denominated in a currency different from the functional currency of the applicable entity are recorded in foreign exchange (gain) loss, as applicable, in the period in which they occur.

(2) Upon completion of the Inaria, Combat Sports and Easton Baseball/Softball acquisitions, the Company adjusted Inaria's, Combat Sports' and Easton Baseball/Softball's inventories to fair market value. Included in the twelve-month periods ended May 31, 2015, May 31, 2014 and May 31, 2013 are charges to cost of goods sold resulting from the fair market value adjustment to inventory. This line also includes costs associated with the integration of the Inaria Acquisition in the twelve-month period ended May 31, 2014.

(3) The rebranding/integration costs for the twelve-month period ended May 31, 2015 are associated with the integration of the Inaria, Combat Sports and Easton Baseball/Softball acquisitions. The rebranding/integration costs for the twelve-month period ended May 31, 2014 are associated with the integration of the Cascade, Inaria, Combat Sports and Easton Baseball/Softball acquisitions. The rebranding/integration costs for the twelve-month period ended May 31, 2013 are associated with the integration of the Cascade, Inaria and Combat Sports acquisitions.

(4) Acquisition-related transaction costs include legal, audit, and other consulting costs. The twelve-month period ended May 31, 2015 include costs related to the Easton Baseball/Softball Acquisition and costs related to reviewing corporate opportunities. The twelve-month period ended May 31, 2014 include costs related to the Combat Acquisition, the Easton Baseball/Softball Acquisition. Acquisition-related transaction costs in the twelve-month period ended May 31, 2013 include costs related to the Cascade, Inaria and Combat Sports acquisitions. All periods presented include costs related to reviewing corporate opportunities.

(5) The costs related to share offerings in the twelve-month periods ended May 31, 2015 and 2014 include legal, audit, and other consulting costs incurred as part of the U.S. IPO. The costs related to share offerings in the twelve-month period ended May 31, 2013 include legal, audit, and other consulting costs incurred as part of secondary offerings of Common Shares completed by funds managed by Kohlberg Management VI, LLC on October 17, 2012, February 6, 2013 and November 1, 2013.

(6) Other represents the impact of costs related to the lacrosse helmet decertification for the twelve-month period ended May 31, 2015. Other for the twelve-month period ended May 31, 2014 represents the impact of the Canadian Tariff Reduction. For the twelve-month period ended May 31, 2013, other represents the impact of the Canadian Tariff Reduction and $1.2 million for termination benefits.

See "Factors Affecting our Performance - Impact of Foreign Exchange and Hedging Practices" for Adjusted EBITDA in constant currency.

Adjusted Net Income/Loss and Adjusted EPS

Adjusted Net Income/Loss is defined as net income adjusted for all unrealized gains/losses related to derivative instruments and unrealized gains/losses related to foreign exchange revaluation, non-cash or incremental charges associated with acquisitions, amortization of acquisition-related intangible assets for acquisitions since the Canadian IPO in March 2011, costs related to share offerings, share-based payment expense and other non-cash or one-time items. Adjusted EPS is defined as Adjusted Net Income/Loss divided by the weighted average diluted shares outstanding. We use Adjusted Net Income/Loss and Adjusted EPS as key metrics for assessing our operational business performance and to assist with the planning and forecasting for the future operating results of the underlying business of the Company. We believe Adjusted Net Income/Loss and Adjusted EPS are useful information to investors because they highlight trends in the business that may not otherwise be apparent when relying solely on U.S. GAAP measures.

The table below provides the reconciliation of net income (loss) to Adjusted Net Income/Loss and to Adjusted EPS:

	Twelve Months Ended May 31,		
(millions of U.S. dollars, except share and per share amounts)	**2015**	**2014**	**2013**
Net income (loss)	$ 3.3	$ 20.0	$ 25.2
Foreign exchange loss / (gain) (1)	20.4	(1.5)	(1.1)
Costs related to share offerings (2)	0.1	0.5	0.8
Acquisition-related charges (3)	30.5	19.2	9.5
Share-based payment expense	7.1	4.7	4.2
Other (4)	3.5	3.9	0.8
Tax impact on above items	(17.4)	(9.5)	(3.6)
Adjusted Net Income (Loss)	$ 47.5	$ 37.3	$ 35.8
Average diluted shares outstanding	46,354,657	37,475,278	36,428,019
Adjusted EPS	$ 1.02	$ 1.00	$ 0.98

(1) The foreign exchange loss / gain represents the unrealized gain/loss on derivatives and the unrealized portion of the foreign exchange gain/loss from the Adjusted EBITDA table. The unrealized portion of the foreign exchange gain/loss in the twelve-month periods ended May 31, 2015, May 31, 2014 and May 31, 2013 was a loss of $18.2 million, a gain of $3.5 million and a gain of $0.2 million, respectively.

(2) The costs related to share offerings in the twelve-month periods ended May 31, 2015 and May 31, 2014 include legal, audit, and other consulting costs incurred as part of the U.S. IPO. The costs related to share offerings in the twelve-month period ended May 31, 2013 include legal, audit, and other consulting costs incurred as part of secondary offerings of Common Shares completed by funds managed by Kohlberg Management VI, LLC on October 17, 2012, February 6, 2013 and November 1, 2013.

(3) Acquisition-related charges include rebranding/integration costs, and legal, audit, and other consulting costs associated with acquisition transactions. The twelve-month period ended May 31, 2015 include costs related to the Easton Baseball/Softball Acquisition. The twelve-month period ended May 31, 2014 include costs related to the Combat Acquisition, the Easton Baseball/Softball Acquisition. Acquisition-related transaction costs in the twelve-month period ended May 31, 2013 include costs related to the Cascade, Inaria and Combat Sports acquisitions. All periods presented include costs related to reviewing corporate opportunities. The charges also include amortization of intangible assets in the twelve-month periods ended May 31, 2015, May 31, 2014 and May 31, 2013 of $12.5 million, $3.6 million, and $2.0 million, respectively. Also included are charges to cost of goods sold resulting from the fair market value adjustment to inventory in the twelve-month periods ended May 31, 2015, May 31, 2014 and May 31, 2013 of $7.0 million, $4.6 million, and $1.7 million, respectively. This line also includes costs associated with the integration of the Inaria Acquisition in the twelve-month period ended May 31, 2014.

(4) Other represents the impact of costs related to the lacrosse helmet decertification in the twelve-month period ended May 31, 2015. For the twelve-month period ended May 31, 2014, other items represent the impact of the Canadian Tariff Reduction, the write-off of deferred financing fees recorded as a result of the replacement of the existing credit facilities with the New Term Loan Facility and the New ABL Facility and loss on disposal of fixed assets. Other items for the twelve-month period ended May 31, 2013 include the $1.2 million gain on bargain purchase related to the Combat Acquisition, $1.2 million for termination benefits and $0.5 million related to the Canadian Tariff Reduction. Also included in the twelve months ended May 31, 2013 is the write-off of $0.3 million of deferred financing fees as a result of amending the Credit Facility.

See “Factors Affecting our Performance - Impact of Foreign Exchange and Hedging Practices” for Adjusted Net Income (Loss) and Adjusted EPS in constant currency.

Liquidity and Capital Resources

Cash Flows

The primary sources of the Company’s cash are net cash flows from operating activities and funds available under its New ABL Facility (defined herein). We believe that ongoing operations and associated cash flows, in addition to our cash resources and New ABL Facility, provide sufficient liquidity to support our business operations for at least the next 12 months. Furthermore, as of May 31, 2015, the Company held cash and cash equivalents of $2.9 million, our working capital was $332.4 million, and we had availability of $105.7 million under the New ABL Facility, which provides further flexibility to meet any unanticipated cash requirements due to changes in working capital commitments or liquidity risks associated with financial instruments. Such changes may arise from, among other things, the seasonality of our business (see “Factors Affecting our Performance - Seasonality” and “Liquidity and Capital Resources”), the failure of one or more customers to pay their obligations (see the “Quantitative and Qualitative Disclosures About Market Risk-Credit Risk” section) or from losses incurred on derivative instruments, such as foreign currency forwards and interest rate contracts (see “Factors Affecting our Performance - Interest Expense”).

The following table summarizes our net cash flows provided by and used in operating, investing and financing activities:

	Twelve Months Ended	
(millions of U.S. dollars)	**May 31, 2015**	**May 31, 2014**
Net cash flows from (used in) operating activities	$ 11.6	$ 9.9
Net cash flows from (used in) investing activities	(16.8)	(358.4)
Net cash flows from (used in) financing activities	1.8	351.3
Effect of exchange rate changes on cash	(0.6)	(0.5)
(Decrease) / increase in cash	(4.0)	2.4
Beginning cash	6.9	4.5
Ending cash	$ 2.9	$ 6.9

Net Cash From (Used In) Operating Activities

Our largest source of operating cash flows is cash collections from the sale of inventory. Our primary cash outflows from operating activities are inventory purchases, personnel-related expenses, occupancy costs, payment of interest and payment of taxes. Net cash from operating activities for the twelve-month period ended May 31, 2015 was $11.6 million, an increase of $1.7 million, compared to net cash from operating activities of $9.9 million for the twelve-month period ended May 31, 2014, primarily driven by the following:

- $22.3 million lower use of cash from accounts receivable, due to an increase in payments received for receivables;
- $5.9 lower use of cash from accrued liabilities related to the timing of settlement for the liabilities; *partially*

offset by

- $11.9 million lower source of cash from inventory, due to increasing inventory needs required to support future revenue growth;
- $4.9 million lower source of cash from accounts payable related to the timing of payments for inventory purchases; and
- $8.3 million higher use of cash as a result of lower cash earnings.

Net Cash From (Used In) Investing Activities

Our cash outflows from investing activities are primarily for acquisitions and the purchase of property, plant and equipment and intangible assets. Net cash used in investing activities for the twelve-month period ended May 31, 2015 was $16.8 million, an increase of $341.6 million, compared to net cash used of $358.4 million for the twelve-month period ended May 31, 2014, primarily due to the following:

- $353.1 million lower cash outflow due to the Easton Baseball/Softball Acquisition in the twelve-month period ended May 31, 2014; *offset by*
- $11.5 million of higher cash outflow related to the purchase of property, plant and equipment and intangible assets.

Net Cash From (Used In) Financing Activities

Our cash flows from financing activities consist primarily of proceeds from and repayment of debt, proceeds from the issuance of Common Shares and share issuances under stock option plans. Net cash from financing activities for the twelve-month period ended May 31, 2015 was $1.8 million, a decrease of $349.5 million, compared to net cash from financing activities of $351.3 million for the twelve-month period ended May 31, 2014, primarily due to the following:

- $116.8 million of net cash inflow related to the net proceeds of the U.S. IPO; *partially offset by*
- $433.2 million lower net cash inflow related to the financing of the Easton Baseball/Softball Acquisition with a combination of an asset-backed revolving credit facility and senior secured loans in the twelve months ended May 31, 2014;
- $13.0 million increase in net cash outflow related to repayment of debt; and
- $17.4 million decrease in net cash inflow related to the net movement in revolving debt.

Indebtedness

Credit Facilities

Concurrently with the closing of the Easton Baseball/Softball Acquisition, the Company entered into the New Term Loan Facility (as defined herein) and the Company and certain of its subsidiaries entered into the New ABL Facility (as defined herein). The New Term Loan Facility and the New ABL Facility (referred to herein together as the “Credit Facilities”) replaced the Company's existing credit facilities.

As of May 31, 2015, $330.5 million was drawn under the New Term Loan Facility and $92.9 million was drawn under the New ABL Facility. Following completion of the U.S. IPO on June 25, 2014, the Company used the net proceeds of the U.S. IPO and repaid approximately $119.5 million under the New Term Loan Facility. The repayment was first applied against the outstanding amortization payments and as such no further amortization payments are due for the life of the facility.

New Term Loan Facility

Concurrently with the closing of the Easton Baseball/Softball Acquisition, the Company entered into an amortizing term credit facility in the principal amount of $450 million U.S. dollars by and among the Company, as borrower, Bank of America, N.A., as administrative agent and collateral agent, Bank of America, N.A., J.P. Morgan Securities LLC, RBC Capital Markets and

Morgan Stanley Senior Funding, Inc., as joint lead arrangers, Bank of America, N.A., J.P. Morgan Securities LLC, and RBC Capital Markets, as bookrunners, JP Morgan Chase Bank, N.A. and RBC Capital Markets, as syndication agents, and the lenders party thereto from time to time (the "New Term Loan Facility"). The New Term Loan Facility matures on April 15, 2021. The New Term Loan Facility contains representations and warranties, affirmative and negative covenants and events of default customary for credit facilities of this nature.

The New Term Loan Facility may be prepaid at any time in whole or in part without premium or penalty, upon written notice, at the option of the Company, other than reimbursement of the New Term Loan Facility lenders for any funding losses and redeployment costs (but not loss of margin) resulting from prepayments of LIBOR advances in certain circumstances. Any amounts prepaid under the New Term Loan Facility may not be reborrowed. In certain circumstances, the Company is permitted to add one or more incremental term loan facilities under the New Term Loan Facility. As well, in certain circumstances and from time to time, the Company is permitted to refinance loans or incremental term loans under the New Term Loan Facility, in whole or in part.

Interest Rates

The interest rates per annum applicable to the New Term Loan Facility equal the sum of (a) the applicable margin percentage (as described below), plus, at the Company's option, (b) either LIBOR, subject to a 1% floor or the U.S. base rate (each as determined in accordance with the terms of the New Term Loan Facility). The applicable margin is 3.50% per annum in the case of LIBOR advances and 2.50% per annum in the case of U.S. base rate advances. The Company's $119.5 million repayment from the net proceeds of the U.S. IPO activated the Leverage Step-Down Trigger (as defined in the New Term Loan Facility). Effective July 1, 2014, the applicable margin is 3.00% per annum in the case of LIBOR advances and 2.00% per annum in the case of U.S. base rate advances for so long as the Consolidated Total Net Leverage Ratio (as defined in the New Term Loan Facility) remains less than 4.25:1.00. If the Consolidated Total Net Leverage Ratio (as defined in the New Term Loan Facility) is greater than or equal to 4.25:1.00, the applicable margin is 3.50% per annum in the case of LIBOR advances and 2.50% per annum in the case of U.S. base rate advances.

Guarantees and Security

The obligations of the Company under the New Term Loan Facility are guaranteed by certain subsidiaries of the Company, including each of the existing and future direct and indirect wholly-owned material Canadian and U.S. subsidiaries of the Company (collectively, the "Term Loan Guarantors"). The New Term Loan Facility is secured by a perfected first priority security interest (subject to permitted liens and certain exceptions) in: (a) all present and future shares of capital stock of each present and future subsidiary of the Company (subject to certain exceptions); (b) all present and future debt owed to the Company or any Term Loan Guarantor; and (c) all present and future property and assets, real and personal (other than assets constituting ABL Priority Collateral (as defined herein)) of the Company and each Term Loan Guarantor; and (d) all proceeds and products of the property and assets described above (collectively, the "Term Priority Collateral"). The New Term Loan Facility is further secured by a perfected second priority security interest in the ABL Priority Collateral (as defined herein), subject to permitted liens and certain exceptions.

New ABL Facility

Concurrently with the closing of the Easton Baseball/Softball Acquisition, the Company and certain of its subsidiaries entered into a revolving, non-amortizing asset-based credit facility in an amount equal to the lesser of $200 million U.S. dollars (or the Canadian dollar equivalent thereof) and the Borrowing Base (as defined herein) by and among Bauer Hockey Corp. and its Canadian subsidiaries from time to time party thereto, as Canadian borrowers (collectively, the "Canadian ABL Borrowers"), Bauer Hockey, Inc. and its U.S. subsidiaries from time to time party thereto, as U.S. borrowers (collectively, the "U.S. ABL Borrowers" and, collectively with the Canadian ABL Borrowers, the "ABL Borrowers"), the Company as parent, Bank of America, N.A., as administrative agent and collateral agent, JP Morgan Chase Bank, N.A. and an affiliate of RBC Dominion Securities Inc., as syndication agents, Bank of America, N.A., J.P. Morgan Securities LLC, RBC Capital Markets and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, Bank of America, N.A., J.P. Morgan Securities LLC, and RBC Capital Markets, as bookrunners, and the various lenders party thereto (the "New ABL Facility"). The ABL Borrowers are permitted under the New ABL Facility to solicit the lenders to provide additional revolving loan commitments in an aggregate amount not to exceed $75 million U.S. dollars (or the Canadian dollar equivalent thereof). The New ABL Facility matures on April 15, 2019 and may be drawn in U.S. dollars by the U.S. ABL Borrowers and either U.S. dollars or Canadian dollars by the Canadian ABL Borrowers, as LIBOR loans, CDOR loans, U.S. base rate loans, Canadian prime rate loans, as applicable, or letters of credit or swingline loans (with a sublimit of up to $25 million U.S. dollars available for letters of credit and up to $20 million U.S. dollars for swingline loans (or, in each case, the Canadian dollar equivalent thereof)), each as determined in accordance with the terms of the New ABL Facility. The New ABL Facility contains representations and warranties, affirmative and negative covenants, and events of default customary for credit facilities of this nature.

Under the New ABL Facility, the ABL Borrowers were permitted to draw up to $25 million U.S. dollars (or the Canadian dollar equivalent thereof) to partially finance the Easton Baseball/Softball Acquisition and drew approximately $22 million in connection therewith. The ABL Borrowers are permitted to use the undrawn amount under the New ABL Facility from time to time for ordinary course working capital and for general corporate purposes. Voluntary reductions of the unutilized portion of the New ABL Facility commitments and voluntary prepayments under the New ABL Facility are permitted at any time, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of prepayments of LIBOR advances in certain circumstances. Voluntary prepayments under the New ABL Facility may be reborrowed.

Borrowing Base

The borrowing base (the "Borrowing Base") under the New ABL Facility for the interim period up until the 90 th day following April 15, 2014 (subject to extension at the discretion of the Agent) is deemed to be the greater of $100 million or as calculated by adding the net book value of (a) Accounts of Bauer Hockey Corp. and Bauer Hockey, Inc. (collectively, the "Borrowers"), multiplied by the advance rate of 50%, plus (b) the net book value of Inventory of the Borrowers located in the United States or Canada multiplied by the advance rate of 45%. The Borrowing Base for the interim period up until the 90th day following April 15, 2014 was extended to September 15, 2014.

After the interim period the Borrowing Base equals the sum of the Canadian Borrowing Base (as defined herein) and the U.S. Borrowing Base (as defined herein).

The "Canadian Borrowing Base" means, subject to customary reserves and eligibility criteria, the sum of: (a) 85% of the Canadian ABL Borrowers' eligible accounts receivable; plus (b) the lesser of 70% of the cost (valued on a first in, first out basis) of the Canadian ABL Borrowers' eligible inventory, or 85% of the appraised net orderly liquidation value of the Canadian ABL Borrowers' eligible inventory.

The "U.S. Borrowing Base" means, subject to customary reserves and eligibility criteria, the sum of: (a) 85% of the U.S. ABL Borrowers' eligible accounts receivable; plus (b) the lesser of 70% of the cost (valued on a first in, first out basis) of the U.S. ABL Borrowers' eligible inventory, or 85% of the appraised net orderly liquidation value of the U.S. ABL Borrowers' eligible inventory.

Interest Rates and Fees

At the option of the ABL Borrowers, until August 31, 2014, the interest rates under the New ABL Facility were (i) LIBOR or CDOR, as applicable, plus 1.75% per annum or (ii) the U.S. base rate or Canadian prime rate, as applicable, plus 0.75% per annum. Following August 31, 2014, interest rate margins under the New ABL Facility are determined with reference to the following grid, based on the average availability, as a percentage of the aggregate commitments, during the immediately preceding quarter:

Average Availability (% of Line Cap)	Interest Rate Margin for LIBOR/CDOR Rate Loans	Interest Rate Margin for U.S. Base Rate/Canadian Prime Rate Loans
Equal to or greater than 66%	1.50%	0.50%
Less than 66% but equal to or greater than 33%	1.75%	0.75%
Less than 33%	2.00%	1.00%

The ABL Borrowers may elect interest periods of one, two, three or six months (or 12 months if agreed to by all the Lenders) for LIBOR or CDOR loans.

A per annum fee equal to the interest rate margin for LIBOR or CDOR loans under the New ABL Facility will accrue on the average daily amount of the aggregate undrawn amount of outstanding letters of credit, payable in arrears on the first day of each quarter. In addition, the ABL Borrowers shall pay (a) a fronting fee equal to 0.125% on the average daily amount of the aggregate undrawn amount of outstanding letters of credit, and (b) customary issuance and administration fees.

The ABL Borrowers initially paid a commitment fee of 0.50% per annum on the average daily unused portion of the New ABL Facility. From and after August 31, 2014, the commitment fee is determined by reference to the following grid based on the average utilization of the commitments under the New ABL Facility during the immediately preceding fiscal quarter:

Average Usage (% of commitments)	Commitment Fee %
Less than 50%	0.375 %
Equal to or greater than 50%	0.25 %

The interest rate on the Credit Facilities for the twelve-month period ended May 31, 2015 ranged from 1.9% to 4.5%. As of May 31, 2015, there are five letters of credit totaling $1.4 million outstanding under the New ABL Facility.

Guarantees and Security

The obligations of the ABL Borrowers under the New ABL Facility are guaranteed by the Company and certain subsidiaries of the Company, including each of the existing and future direct and indirect wholly owned material Canadian and U.S. subsidiaries of the Company (collectively, the "ABL Guarantors").

The New ABL Facility is secured by a perfected first priority security interest (subject to permitted liens and certain exceptions) in (a) all present and future accounts receivable (except to the extent constituting proceeds of equipment, real property or intellectual property and intercompany loans); (b) all present and future inventory; (c) all present and future instruments, chattel paper and other contracts, in each case, evidencing, or substituted for, any accounts receivable referred to in clause (a) above; (d) all present and future guarantees, letters of credit, security and other credit enhancements in each case for the accounts receivable; (e) all present and future documents of title for any inventory referred to in clause (b) above; (f) all present and future commercial tort claims and general intangibles in each case to the extent relating to any of the accounts receivable referred to in clause (a) above or inventory referred to in clause (b) above, but excluding intercompany debt and capital stock; (g) all present and future bank accounts, securities accounts (including all cash and other funds on deposit therein, except to the extent constituting identifiable proceeds of the Fixed Asset Priority Collateral (as defined therein) or any such account which holds solely such identifiable proceeds of the Fixed Asset Priority Collateral) or investment property and any capital stock; (h) all present and future tax refunds; (i) all present and future supporting obligations, documents and books and records relating to any of the foregoing; and (j) all substitutions, replacements, accessions, products or proceeds (including, without limitation, insurance proceeds) of any of the foregoing (collectively, the "ABL Priority Collateral"). The New ABL Facility is further secured by a perfected second priority security interest in the Term Priority Collateral (subject to permitted liens and certain exceptions).

Leverage Ratio

The former credit facilities and the current Credit Facilities define Leverage Ratio as Net Indebtedness divided by EBITDA. Net Indebtedness includes such items as the Company's term loan, capital lease obligations, subordinated indebtedness, and average revolving loans for the last 12 months as of the reporting date, less the average amount of cash for the last 12 months as of the reporting date. EBITDA is defined in both the former credit facilities and Credit Facilities. The following table depicts the Company's Leverage Ratio:

	As of May 31, 2015 [1]	As of February 28, 2015	As of November 30, 2015	As of August 31, 2015	As of May 31, 2014
Leverage Ratio	4.29	3.87	3.62	3.61	4.78

(1) Excluding the impact of foreign exchange on the Company's Fiscal 2015 EBITDA, the Leverage Ratio was 3.62.

Off-Balance Sheet Arrangements

We enter into agreements with our manufacturing partners on tooling requirements for our manufactured products. These agreements form an important part of the Company's supply chain strategy and cash flow management. The following table summarizes our vendor tooling commitments as of May 31, 2015 and Fiscal 2015:

(millions of U.S. dollars)

Vendor	Tooling acquisition value	Cost paid	Owed amounts as of May 31, 2015	Open purchase orders amortization value	Outstanding liability Fiscal 2015
Supplier A	$ 6.9	$ 5.1	$ 1.8	$ 0.2	$ 1.6
Supplier B	6.3	5.1	1.2	0.3	0.9
Supplier C	1.3	0.5	0.8	0.1	0.7
Supplier D	0.6	0.6	—	—	—
Supplier E	0.6	0.3	0.3	0.1	0.2
Supplier F	0.3	0.2	0.1	—	—
Supplier G	0.1	0.1	—	—	—
Supplier H	0.1	0.1	—	—	—
Total	$ 16.2	$ 12.0	$ 4.2	$ 0.7	$ 3.5

Capital Expenditures

In the twelve-month period ended May 31, 2015 and the twelve-month period ended May 31, 2014, we incurred capital expenditures of $17.6 million and $6.0 million, respectively. As a percentage of revenues, our capital expenditures for the twelve months ended May 31, 2015 were 2.7% of revenues, compared to 1.4% of revenues for the twelve months ended May 31, 2014. The capital investments were incurred for information systems to assist in streamlining our growing organization, leasehold improvements related to the Blainville, Quebec research, design and development facility, investments related to the Own The Moment Hockey Experience retail stores, tooling, R&D and investments in retail marketing assets. The year-over-year increase is driven by higher investments in information systems, leasehold improvements related to the Blainville, Quebec research, design and development facility investments related to the Own The Moment Hockey Experience retail stores and the addition of Easton Baseball/Softball, as compared to the prior year. Our ordinary course of operations requires minimal capital expenditures for equipment, given that we manufacture most of our products through our manufacturing partners. Going forward, to support our growth and key business initiatives, we currently anticipate moderately higher levels of capital expenditures and investment.

Contractual Obligations

The following table summarizes our contractual obligations as of May 31, 2015 and the effect such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments due by period				
(millions of U.S. dollars)	Total	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years
Operating lease obligations [1]	$ 14.8	$ 5.4	$ 3.9	$ 1.7	$ 3.8
Financing and capital lease obligations [1]	21.3	1.6	3.4	3.4	12.9
Endorsement contracts [2]	14.8	7.2	5.6	1.1	0.9
Long-term borrowings: [3]					
Revolving loan	92.9	92.9	—	—	—
Term loan due 2021	330.5	—	—	—	330.5
Interest payment obligations	78.7	13.4	26.8	26.8	11.7
Inventory purchases [4]	89.5	89.5	—	—	—
Non-inventory purchases [5]	11.1	5.6	1.8	2.6	1.1
Total	$ 653.6	$ 215.6	$ 41.5	$ 35.6	$ 360.9

(1) Future operating lease obligations are not recognized in our consolidated balance sheets. The operating lease obligations for buildings and equipment expire at various dates through the fiscal year ended May 31, 2026. The financing and capital lease obligations for buildings expire at various dates through the fiscal year ended May 31, 2030. Certain of the operating and capital leases contain renewal clauses for the extension of the lease for one or more renewal periods.

(2) The amounts listed for endorsement contracts represent approximate amounts of base compensation and minimum guaranteed royalty fees the Company is obligated to pay athletes, sports teams, and other endorsers of the Company's products. Actual payments under some contracts may be higher than the amounts listed as these contracts provide for bonuses to be paid to the endorsers based upon certain achievements and/or royalties on product sales in future periods. Actual payments under some contracts may also be lower as these contracts include provisions for reduced payments if certain performance criteria are not met. In addition to the cash payments, the Company is obligated to furnish the endorsers with products for their use. It is not possible to determine how much the Company will spend on this product on an annual basis as the contracts do not stipulate a specific amount of cash to be spent on the product. The amount of product provided to the endorsers will depend on many factors including general playing conditions, the number of sporting events in which they participate, and the Company's decisions regarding product and marketing initiatives. In addition, the costs to design, develop, source, and purchase the products furnished to the endorsers are incurred over a period of time and are not necessarily tracked separately from similar costs incurred for products sold to customers.

(3) The revolving loan and the term loan due 2021 amounts represent principal payments on outstanding debt. The interest payment obligations represent interest payments on the term loan due 2021. Estimates of interest payments are based on outstanding principal amounts, currently effective interest rates as of May 31, 2015, and the term of the debt obligation. The interest payment obligations exclude expected interest payments on our revolving loan, which can fluctuate based on the amount of outstanding borrowings in any given period. For more information, please refer to the “Indebtedness” section and the notes to the audited annual consolidated financial statements for the fiscal year ended May 31, 2015.

(4) Inventory purchase obligations include various commitments in the ordinary course of business that would include the purchase of goods that are not recognized in our consolidated balance sheets.

(5) Non-inventory purchase obligations include other binding commitments for the expenditure of funds that are not recognized in our consolidated balance sheets, including (i) amounts related to contracts not involving the purchase of inventories, such as the non-cancelable portion of service or maintenance agreements for management information systems, and (ii) capital expenditures for approved projects.

Contingencies

In connection with the purchase of the certain assets from Nike on April 16, 2008 (the “Business Purchase”), a subsidiary of Kohlberg Sports Group Inc., a Cayman Island corporation (“KSGI”), agreed to pay additional consideration to Nike in future periods based upon the attainment of a qualifying exit event. As of May 31, 2015, the maximum potential future consideration pursuant to such arrangements, to be resolved on or before the eighth anniversary of April 16, 2008, is $10.0 million. As a condition to the acquisition in connection with the U.S. IPO, the former securityholders of KSGI who sold KSGI and its subsidiaries to the Company on March 10, 2011 pursuant to the acquisition agreement dated March 3, 2011 (the “Existing Holders”) entered into a reimbursement agreement with the Company pursuant to which each such Existing Holder agreed to reimburse the Company, on a *pro rata* basis, in the event that the Company or any of its subsidiaries are obligated to make such a payment to Nike.

The Company previously entered into employment agreements with the former owners of Inaria in connection with the closing of the Inaria Acquisition. Included in the employment agreements are yearly performance bonuses payable in the event Inaria achieves gross profit targets in the period one to four years following the closing. These amounts will be accrued over the required service period. As of May 31, 2015, the potential undiscounted amount of the future payments that the Company could be required to make is between $0 and $0.9 million Canadian dollars.

In addition to the matters above, during the ordinary course of its business, the Company is involved in various legal proceedings involving contractual and employment relationships, product liability claims, trademark rights and a variety of other matters. The Company does not believe there are any pending legal proceedings that will have a material adverse impact on the Company's financial position or results of operations.

Critical Accounting Policies and Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, and expenses. The judgments and estimates are reviewed on an ongoing basis and estimates are revised and updated accordingly. Actual results may differ from these estimates. Significant areas requiring the use of judgment in application of accounting policies, assumptions, and estimates include fair value determination of assets and liabilities in connection with business combinations, fair valuation of financial instruments, impairment of non-financial assets, valuation allowances for receivables and inventory, amortization periods, provisions, employee benefits, share-based payment transactions, and income taxes. We believe our critical accounting estimates are those related to acquisitions, valuation of derivatives, share-based payments, warranties, retirement benefit obligations, depreciation and amortization, income taxes, and impairment of non-financial assets. We consider these accounting estimates critical because they are both important to the portrayal of our financial condition and operating results, and they require us to make judgments and estimates about inherently uncertain matters.

Acquisition Accounting

Part of our growth strategy has included the acquisition by us of numerous businesses. The purchase price of each acquisition has been determined after due diligence of the target business, market research, strategic planning and the forecasting of expected future results and synergies. Estimated future results and expected synergies are subject to revisions as we integrate each acquisition and attempt to leverage resources.

The fair value of assets acquired and liabilities assumed in a business combination is estimated based on information available at the date of the acquisition. The estimate of fair value of the acquired intangible assets (including goodwill), property, plant and equipment, and other assets, and the liabilities assumed at the date of acquisition, as well as the useful lives of the acquired intangible assets and property, plant and equipment is based on assumptions. The measurement is largely based on projected cash flows, discount rates and market conditions at the date of acquisition. We use a variety of information sources to determine the fair value of acquired assets and liabilities and we generally use third party appraisers to assist us in the determination of the fair value and useful lives of identifiable intangible assets. We estimate the fair values of the assets acquired in each acquisition as of the date of acquisition and these estimates are subject to adjustment based on the final assessments of the fair value of acquired intangible assets (including goodwill), property, plant and equipment, and other assets, and the liabilities assumed. We complete these assessments within one year of the date of acquisition.

Our estimates of fair value are based upon assumptions believed to be reasonable at that time but which are inherently uncertain and unpredictable. Assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur, which may affect the accuracy of such assumptions.

Valuation of Derivatives

In the valuation of the Company's outstanding derivatives, foreign currency forward contracts, the fair value is based on current foreign exchange rates at each reporting date. Since the Company recognizes the fair value of these financial instruments on the consolidated statements of financial position and records changes in fair value in the current period earnings, these estimates will have a direct impact on the Company's net income or loss for the period.

Share-Based Payments

Share-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense over the applicable vesting period of the stock award (generally four years) using an accelerated method. Determining the fair value of share-based compensation awards at grant date requires significant judgment and estimates regarding valuation variables such as volatility, expected forfeiture rates and the expected term of the awards. Expected volatility is estimated based on the historic average share price volatility of the Company's peers based on the recent period commensurate with the estimated expected term of the stock options. When estimating pre-vesting forfeitures, we consider voluntary termination behavior. We reflect the impact of forfeitures for stock options based on historical experience. The Company uses the "simplified method" to estimate the expected life of options for employee awards that qualify as "plain-vanilla" options as it lacks sufficient company-specific historical information as it relates to the exercise of options. The "simplified method" calculates the expected life of a

stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all vesting tranches. The calculation of the grant date fair value requires the input of highly subjective assumptions and changes in subjective input assumptions can materially affect the fair value estimate.

Warranties

Estimated future warranty costs are accrued and charged to cost of goods sold in the period in which revenues are recognized from the sale of goods. When we evaluate our reserve for warranty costs, we consider our product warranty policies, historical claim rates, product category and mix, current warranty claim trends, and the historical cost to replace or repair its products under warranty. If we determine that a smaller or larger reserve is appropriate, we will record a credit or a charge to cost of goods sold in the period in which we make such a determination. The recognized amount of future warranty costs is based on management's best information and judgment.

Retirement Benefit Obligations

Accounting for the costs of the defined benefit obligations is based on actuarial valuations. The present value of the defined benefit obligation recognized in the consolidated statements of financial position and the net financing charge recognized in the consolidated statements of comprehensive income is dependent on current market interest rates of high quality, fixed rate debt securities. Other key assumptions within this calculation are based on market conditions or estimates of future events, including mortality rates. Since the determination of the costs and obligations associated with future employee benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation process.

Income Taxes

The measurement of income tax expense and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. In evaluating our ability to recover our deferred income tax assets, we consider all available positive and negative evidence, including current and proposed tax legislation, current and projected future taxable income, future reversals of existing taxable temporary differences and tax-planning strategies. We record a valuation allowance against deferred tax assets for which we are unable to conclude that recoverability is more likely than not. Given the judgments and estimates required and the sensitivity of the results to the significant assumptions used, we believe the accounting estimates used in relation to the recognition of deferred income tax assets are subject to measurement uncertainty and are susceptible to a material change if the underlying assumptions change.

We are subject to income taxes in the United States, Canada and various foreign and state jurisdictions. Our policy is to recognize interest expense and penalties related to income tax matters as a selling, general and administrative expense. As of May 31, 2015, we do not have any significant accruals for interest related to unrecognized tax benefits or tax penalties. Our intercompany transfer pricing policies are currently subject to audits by various foreign tax jurisdictions. Although we believe that our intercompany transfer pricing policies and tax positions are reasonable, the final outcomes of tax audits or potential tax disputes may be materially different from that which is reflected in our income tax provisions and accruals. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Impairment of Non-Financial Assets

We perform annual impairment tests on goodwill and intangible assets with indefinite lives in the fourth quarter of each fiscal year, or when events occur or circumstances change that would, more likely than not, reduce the fair value of a reporting unit or an intangible asset with an indefinite life below its carrying value. Goodwill is tested annually on March 1. Indefinite lived intangible assets are tested annually on May 31. Events or changes in circumstances that may trigger interim impairment reviews include significant changes in business climate, operating results, planned investments in the reporting unit, planned divestitures, or an expectation that the carrying amount may not be recoverable, among other factors. We may first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, we determine that it is more likely than not that the fair value of the reporting unit is greater than its carrying amount, the two-step impairment test is unnecessary. The two-step impairment test requires us to estimate the fair value of our reporting units. If the carrying value of a reporting unit exceeds its fair value, the goodwill of that reporting unit is potentially impaired and we proceed to step two of the impairment analysis. In step two of the analysis, we measure and record an impairment loss equal to the excess of the carrying value of the reporting unit's goodwill over its implied fair value, if any.

Management exercises judgment in assessing whether there are indications that goodwill or intangible assets may be impaired. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of discounted cash flow projections and other relevant assumptions. The assumptions used in the estimated discounted cash flow projections involve estimates and assumptions regarding discount rates and long-term terminal growth rates. Differences in estimates could affect whether goodwill or intangible assets are in fact impaired and the dollar amount of that impairment.

Indefinite-lived intangible assets primarily consist of acquired trade names and trademarks. We may first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, we determine that it is more likely than not that the indefinite-lived intangible asset is not impaired, no quantitative fair value measurement is necessary. If a quantitative fair value measurement calculation is required for these intangible assets, we utilize the relief-from-royalty method. This method assumes that trade names and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate the future revenue for the related brands, the appropriate royalty rate, and the weighted average cost of capital.

It is possible that the Company's conclusions regarding impairment or recoverability of goodwill or intangible assets in any reporting unit could change in future periods. There can be no assurance that the estimates and assumptions used in our goodwill and intangible asset impairment testing performed as of the beginning of the fourth quarter of Fiscal 2015 will prove to be accurate predictions of the future, if, for example, (i) the businesses do not perform as projected, (ii) overall economic conditions in Fiscal 2016 or future years vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies for a specific reporting unit change from current assumptions, including loss of major customers, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA. A future impairment charge for goodwill or intangible assets could have a material effect on the Company's consolidated financial position and results of operations.

New Accounting Pronouncements

See Item 8 of Part II, "Financial Statements and Supplementary Data - Note 2 - Significant Accounting Policies - *Recent Accounting Pronouncements*".

Item 7A. QUANITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and interest rates. We do not hold or issue financial instruments for trading purposes.

Foreign Currency Risk

The Company is a global enterprise subject to the risk of foreign currency fluctuations. We are exposed to foreign exchange rate risk driven by the fluctuations against the U.S. dollar of the currencies in which we collect our revenues: the Canadian dollar, euro, Swedish krona, Norwegian krona, and Danish krona. Our exposure also relates to debt held in Canadian dollars and purchases of goods and services in foreign currencies. While we purchase a majority of our products in U.S. dollars, we are exposed to cost variability due to fluctuations against the U.S. dollar of certain foreign currencies, primarily: the Canadian dollar, Chinese renminbi, Taiwanese new dollar and Thai baht. Approximately 41% of the Company's revenues in Fiscal 2015 were generated in international markets. Most of our foreign businesses operate in functional currencies other than the U.S. dollar. In periods where the U.S. dollar strengthens relative to the Canadian dollar, euro or other foreign currencies where the Company has operations, there is a negative impact on the Company's operating results upon translation of those foreign operating results into the U.S. dollar. The Company currently does not hedge the translation of foreign currency operating results into the U.S. dollar; however, management does hedge foreign currency transactions as discussed later in this section.

The reported values of assets and liabilities in these foreign businesses are subject to fluctuations in foreign currency exchange rates. For net advances to and investments in the Company's foreign businesses that are considered to be long-term, the impact of changes in foreign currency exchange rates on those long-term advances are deferred as a component of accumulated other comprehensive income (loss) in shareholders' equity. The U.S. dollar value of net investments in foreign subsidiaries fluctuates with changes in the underlying functional currencies. The Company does not hedge this balance sheet translation exposure and currently does not intend to do so.

We currently generate a portion of our revenue and incur a portion of our expenses in Canada, Sweden and Finland. The reporting currency for our consolidated financial statements is the U.S. dollar. The strengthening of the U.S. dollar against the Canadian dollar, Swedish krona, and euro during Fiscal 2015 has resulted in:

- A reduction in our revenue upon translation of the sales made by our Canadian, Swedish and Finnish operations into U.S. dollars for the purposes of consolidation;
- A reduction in our R&D and selling, general and administrative expenses, as well as certain Canadian dollar denominated cost of goods sold incurred by our Canadian, Swedish and Finnish operations into U.S. dollars for the purposes of consolidation; and
- An increase in our cost of goods sold for sourced products purchased in U.S. dollars.

The Company monitors net foreign currency market exposures and enters into derivative foreign currency contracts to hedge the effects of exchange rate fluctuations for a significant portion of forecasted foreign currency cash flows or specific foreign currency transactions (relating to cross-border inventory purchases). Currently, the Company uses only forward exchange contracts. This use of financial instruments allows management to reduce the overall exposure to risks from exchange rate fluctuations on the Company's cash flows and earnings, since gains and losses on these contracts will offset losses and gains on the transactions being hedged. The Company has not elected hedge accounting and therefore the changes in the fair value of these derivatives are recognized through profit or loss each reporting period. In subsequent periods, the income statement impact of the mark-to-market adjustment is effectively offset when the inventory being hedged is sold. While these effects occur every reporting period, they are of much greater magnitude when there are sudden and significant changes in currency exchange rates during a short period of time.

For derivative foreign currency contracts outstanding at the end of Fiscal 2015, if there were a hypothetical change in foreign currency exchange rates of 10% compared with rates at the end of Fiscal 2015, it would result in a change in fair value of those contracts of approximately $7.6 million. However, any change in the fair value of the hedging contracts would be offset by a change in the fair value of the underlying hedged exposure impacted by the currency rate changes.

Commodity Price Risk

We are subject to market risk from fluctuating market prices of certain purchased commodities and raw materials including steel, aluminum, petroleum-based resins, and diesel fuel. In addition, we are a purchaser of components and parts containing various commodities, including steel, aluminum, rubber and others, which are integrated into the Company's end products. While such materials are typically available from numerous suppliers, commodity raw materials are subject to price fluctuations. We generally buy these commodities and components based upon market prices that are established with the vendor as part of the purchase process. The Company does not currently enter into futures contracts or otherwise hedge its exposure to commodity price risk. In the event of significant commodity cost increases, we may not be able to adjust our selling prices sufficiently to mitigate the impact on our margins. Based on our current outlook for commodity prices, the total impact of commodities is expected to have a positive impact on our gross margins for Fiscal 2016 when compared to Fiscal 2015.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Our financing includes long-term debt and a New ABL Facility that bears interest based on floating market rates. Changes in these rates result in fluctuations in the required cash flow to service this debt. We have entered into an interest rate cap on a portion of our term debt to mitigate our interest rate risk. Based on the average amount of variable rate borrowings during Fiscal 2015, the effect on reported interest expense of a hypothetical 1.0% change in interest rates is approximately $1.4 million (assumes LIBOR on the New Term Loan Facility is below the 1% floor).

Credit Risk

Credit risk is when the counterparty to a financial instrument or a customer fails to meet its contractual obligations, resulting in a financial loss to the Company. The counterparties to all derivative transactions are major financial institutions with investment grade credit ratings. However, this does not eliminate the Company's exposure to credit risk with these institutions. This credit risk is generally limited to the unrealized gains in such contracts should any of these counterparties fail to perform as contracted. To manage this risk, the Company has established strict counterparty credit guidelines that are continually monitored and reported to senior management according to specified guidelines.

We sell to a diverse customer base over a global geographic area. We evaluate collectability of specific customers' receivables based on a variety of factors including currency risk, geopolitical risk, payment history, customer stability, and other economic factors. Collectability of receivables is reviewed on an ongoing basis by management and the allowance for doubtful accounts is adjusted as required. Account balances are charged against the allowance for doubtful accounts when we determine that it is probable that the receivable will not be recovered. We believe that the geographic diversity of the customer base, combined with our established credit approval practices and ongoing monitoring of customer balances, mitigates the counterparty risk.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We continually monitor our actual and projected cash flows. We believe our cash flows generated from operations combined with our New ABL Facility provide sufficient funding to meet our obligations. See "Liquidity and Capital Resources" for more information.

Item 8. Financial Statements and Supplementary Data

PERFORMANCE SPORTS GROUP LTD.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Performance Sports Group Ltd.:

We have audited the accompanying consolidated balance sheets of Performance Sports Group Ltd. and subsidiaries as of May 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income (loss), cash flows and stockholders' equity for each of the years in the three-year period ended May 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Performance Sports Group Ltd. and subsidiaries as of May 31, 2015 and 2014, and the results of its operations and its cash flows for each of the years in the three-year period ended May 31, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

August 26, 2015
Boston, Massachusetts

PERFORMANCE SPORTS GROUP LTD.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	May 31, 2015	May 31, 2014
ASSETS		
Cash	$ 2,932	$ 6,871
Trade and other receivables, net of allowance for doubtful accounts of $2,038 in 2015 and $1,500 in 2014	199,375	207,584
Inventories, net	174,546	159,292
Income taxes receivable	7,393	5,580
Deferred income taxes	15,465	9,968
Prepaid expenses and other current assets	4,985	9,255
Total current assets	404,696	398,550
Property, plant and equipment, net	47,051	25,322
Goodwill	102,755	102,842
Intangible assets, net	276,754	296,138
Deferred income taxes	8,150	5,322
Other non-current assets	5,511	475
TOTAL ASSETS	$ 844,917	$ 828,649
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	$ 90,550	$ 91,435
Accounts payable	41,518	42,117
Accrued liabilities	45,507	44,908
Income taxes payable	249	3,298
Current portion of retirement benefit obligations	320	358
Current portion of financing and capital lease obligations	179	218
Total current liabilities	178,323	182,334
Long-term debt	320,271	431,399
Retirement benefit obligation	5,057	5,506
Financing and capital lease obligations	14,406	3,695
Deferred income taxes	14,741	12,983
Other non-current liabilities	358	798
TOTAL LIABILITIES	533,156	636,715
Commitments and Contingencies (Note 12)		
STOCKHOLDERS' EQUITY		
Common stock, no par value; unlimited shares authorized; 45,552,180, and 35,770,160 shares issued and outstanding at May 31, 2015 and 2014, respectively	273,332	146,799
Additional paid-in capital	5,385	7,094
Retained earnings	56,022	52,740
Accumulated other comprehensive loss	(22,978)	(14,699)
TOTAL STOCKHOLDERS' EQUITY	311,761	191,934
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 844,917	$ 828,649

See accompanying notes to consolidated financial statements.

PERFORMANCE SPORTS GROUP LTD.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share and per share data)

	Year ended May 31,		
	2015	**2014**	**2013**
Revenues	$ 654,691	$ 446,179	$ 399,593
Cost of goods sold	448,304	291,843	252,419
Gross profit	206,387	154,336	147,174
Selling, general and administrative expenses	140,004	104,563	90,491
Research and development expenses	24,800	19,762	16,810
Operating income	41,583	30,011	39,873
Interest expense, net	19,838	9,689	8,695
Realized gain on derivatives	(6,858)	(6,069)	(300)
Unrealized (gain) loss on derivatives	2,213	2,023	(942)
Loss on extinguishment of debt	—	2,589	320
Foreign exchange (gain) loss	19,580	(4,829)	(542)
Gain on bargain purchase	—	—	(1,190)
Other expenses (income)	158	340	(33)
Income before income taxes	6,652	26,268	33,865
Income tax expense	3,370	6,281	8,641
Net income	$ 3,282	$ 19,987	$ 25,224
Earnings per share:			
Basic	$ 0.07	$ 0.56	$ 0.74
Diluted	$ 0.07	$ 0.53	$ 0.69
Weighted-average shares outstanding:			
Basic	44,028,076	35,476,607	34,107,334
Diluted	46,354,657	37,475,278	36,428,019

See accompanying notes to consolidated financial statements.

PERFORMANCE SPORTS GROUP LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year ended May 31,		
	2015	**2014**	**2013**
Net income	$ 3,282	$ 19,987	$ 25,224
Other comprehensive loss:			
Foreign currency translation adjustments	(8,191)	(6,993)	(130)
Defined benefit pension plans, net of tax:			
Actuarial losses, net of tax benefits of $65 in 2015, $100 in 2014 and $59 in 2013	(108)	(220)	(217)
Reclassification adjustments included in net income, net of tax expense of $9 in 2015, $5 in 2014 and $3 in 2013	20	10	6
Other comprehensive loss	(8,279)	(7,203)	(341)
Comprehensive income (loss)	$ (4,997)	$ 12,784	$ 24,883

See accompanying notes to consolidated financial statements.

PERFORMANCE SPORTS GROUP LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year ended May 31,		
	2015	**2014**	**2013**
OPERATING ACTIVITIES			
Net income	$ 3,282	$ 19,987	$ 25,224
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based payment expense	6,110	4,625	4,152
Depreciation and amortization	23,773	12,647	9,743
Unrealized (gain) loss from derivatives	2,379	2,189	(767)
Deferred income taxes	(4,260)	(2,709)	4,098
Bad debt expense	1,442	1,470	117
Loss on extinguishment of debt	—	2,620	315
Gain on bargain purchase	—	—	(1,190)
Loss on disposal of assets	39	200	45
Changes in operating assets and liabilities excluding the effect of acquisitions:			
Trade and other receivables	(3,248)	(25,514)	(3,319)
Inventories	(25,232)	(13,371)	(17,674)
Prepaid expenses and other assets	(7,219)	(5,739)	1,159
Trade and other payables	2,220	7,126	(2,423)
Accrued and other liabilities	12,327	6,416	(2,437)
Net cash provided by operating activities	11,613	9,947	17,043
INVESTING ACTIVITIES			
Acquisition of businesses, net of cash acquired	732	(352,389)	(74,008)
Purchase of property, plant and equipment and intangible assets	(17,563)	(6,032)	(7,377)
Net cash used in investing activities	(16,831)	(358,421)	(81,385)
FINANCING ACTIVITIES			
Proceeds from debt	—	450,000	30,000
Repayment of debt	(119,626)	(106,641)	(9,569)
Net movement in revolving debt	4,922	22,335	14,595
Debt issuance costs	—	(16,803)	(1,265)
Payments on financing obligations	(130)	(544)	(533)
Proceeds from issuance of common shares	126,500	—	32,902
Common share issuance costs	(9,739)	—	(2,098)
Proceeds from stock options exercises	1,431	2,101	—
Excess tax benefits from share-based compensation	6,815	2,116	400
Payment of taxes upon net stock option exercise	(8,394)	(1,293)	(694)
Net cash provided by financing activities	1,779	351,271	63,738
Effect of exchange rate changes on cash	(500)	(393)	(76)
Net increase (decrease) in cash	(3,939)	2,404	(680)
Cash at beginning of period	6,871	4,467	5,147
Cash at end of period	$ 2,932	$ 6,871	$ 4,467
Supplemental disclosure of cash flow information:			
Cash paid during year for:			
Interest	$ 16,850	$ 8,120	$ 6,911
Income taxes	10,449	6,335	2,649
Non-cash investing and financing activities			
Capitalization of costs related to financing lease obligation	10,543	—	—

See accompanying notes to consolidated financial statements.

PERFORMANCE SPORTS GROUP LTD.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock					
	Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance as of June 1, 2012	30,082,925	$ 107,859	$ 1,562	$ 7,529	$ (7,155)	$ 109,795
Net income	—	—	—	25,224	—	25,224
Other comprehensive income (loss):						
Pension actuarial losses, net	—	—	—	—	(211)	(211)
Cumulative translation adjustment	—	—	—	—	(130)	(130)
Issuance of common shares	4,333,500	32,902	—	—	—	32,902
Common share issuance costs	—	(2,098)	—	—	—	(2,098)
Share-based payment expense	—	—	3,732	—	—	3,732
Exercise of stock options	171,292	637	(1,331)	—	—	(694)
Recognition of taxes on items recorded to equity		2,924	400	—	—	3,324
Balance as of May 31, 2013	34,587,717	142,224	4,363	32,753	(7,496)	171,844
Net income	—	—	—	19,987	—	19,987
Other comprehensive income (loss):						
Pension actuarial losses, net	—	—	—	—	(210)	(210)
Cumulative translation adjustment	—	—	—	—	(6,993)	(6,993)
Share-based payment expense	—	—	4,406	—	—	4,406
Exercise of stock options	1,182,443	4,573	(3,765)	—	—	808
Recognition of taxes on items recorded to equity	—	2	2,090	—	—	2,092
Balance as of May 31, 2014	35,770,160	146,799	7,094	52,740	(14,699)	191,934
Net income	—	—	—	3,282	—	3,282
Other comprehensive income (loss):						
Pension actuarial losses, net	—	—	—	—	(88)	(88)
Cumulative translation adjustment	—	—	—	—	(8,191)	(8,191)
Issuance of common shares	8,161,291	126,500	—	—	—	126,500
Common share issuance costs	—	(9,739)	—	—	—	(9,739)
Share-based payment expense	—	—	5,998	—	—	5,998
Exercise of stock options	1,620,729	7,204	(14,169)	—	—	(6,965)
Recognition of taxes on items recorded to equity	—	2,568	6,462	—	—	9,030
Balance as of May 31, 2015	45,552,180	$ 273,332	$ 5,385	$ 56,022	$ (22,978)	$ 311,761

See accompanying notes to consolidated financial statements.

1. BASIS OF PRESENTATION AND ORGANIZATION

Nature of the business:

Performance Sports Group Ltd. and its subsidiaries (‘‘PSG’’ or the ‘‘Company’’) is a public company incorporated pursuant to the laws of the Province of British Columbia. The Company is listed on the New York Stock Exchange (NYSE: PSG) and the Toronto Stock Exchange (TSX: PSG).

The Company is engaged in the design, manufacture and distribution of performance sports equipment for ice hockey, roller hockey, baseball and softball, lacrosse, as well as related apparel and accessories, including soccer apparel. The ice hockey products include skates, helmets, protective gear, sticks, team apparel and accessories. The roller hockey products include skates, helmets, protective gear, sticks and accessories. The baseball and softball products include bats, gloves, helmets, protective gear, apparel and accessories. The lacrosse products include sticks (shafts and heads), helmets, protective gear and apparel. The Company distributes its products primarily in the United States, Canada and Europe to specialty retail stores, sporting goods and national retail chains as well as directly to sports teams.

Basis of presentation:

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, which have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany transactions and balances have been eliminated in consolidation.

In prior years, the Company had prepared its financial statements under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, for reporting as required by securities regulators in Canada, as well as in the United States under the status of a foreign private issuer as defined by the U.S. Securities and Exchange Commission (the “SEC”). During the year ended May 31, 2015, the Company determined that it no longer qualified as a foreign private issuer under the SEC rules. As a result, beginning with the Company’s annual report on Form 10-K as of and for the year ended May 31, 2015, the Company is required to report with the SEC on domestic forms and comply with domestic public company rules in the United States. The Company is permitted in Canada, in accordance with securities regulators, to prepare its consolidated financial statements in accordance with U.S. GAAP. The transition to U.S. GAAP was made retrospectively for all periods presented.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates:

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, fair value determination of assets and liabilities in connection with business combinations, fair valuation of financial instruments, impairment of non-financial assets, valuation allowances for receivables and inventory, amortization periods, accruals, employee benefits, share-based payment transactions, and income taxes. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results could differ from the Company’s estimates.

Trade and other receivables, net:

Trade accounts receivable are recorded at net realizable value. This value includes appropriate allowances for estimated uncollectible accounts to reflect any loss anticipated on the trade accounts receivable balances and charged to the allowance for doubtful accounts. The Company assesses collectability of receivables on an ongoing basis to determine any adjustments to the allowance for doubtful accounts. The allowance is determined based on review of specific customer accounts where collection is doubtful, as well as assessment of the collectability of total receivables considering the aging of balances, historical collection experience, customer disputes, historical and anticipated trends and economic conditions. Receivables are written off against the allowance when it is probable the amounts will not be recovered.

Trade and other receivables, net on the consolidated balance sheet represents amounts due from customers less the allowance for doubtful accounts as well as allowances for discounts and returns.

The Company recognizes long-term receivables related to debt investments within other non-current assets on its consolidated balance sheets. Interest earned on the loan receivable is recognized within interest income in the consolidated statements of income.

Inventories, net:

Inventories are measured at the lower of cost or market. Cost is determined by the first-in, first-out method and includes all costs incurred in bringing each product to its present location and condition. Market value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to completion and disposal. The estimated allowance for obsolete or unmarketable inventory is based upon current inventory levels, sales trends and historical experience as well as management's understanding of market conditions and forecasts of future product demand, all of which are subject to change.
Inventory, net is made up of the following balances:

	May 31, 2015	May 31, 2014
Raw Materials	$ 6,062	$ 4,545
Work-in-process	443	222
Finished goods	172,798	158,322
Inventories, gross	179,303	163,089
Less: allowance for obsolete inventory	(4,757)	(3,797)
Total inventories, net	$ 174,546	$ 159,292

Property, plant, and equipment:

Property, plant and equipment are recorded at cost, less accumulated depreciation and amortization. Such cost includes costs directly attributable to making the asset capable of operating as intended. Subsequent costs are included in the asset's carrying amount or recognized as a separate component as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be reliably measured. The carrying amount of any replaced asset is derecognized. All repairs and maintenance costs are charged to profit or loss in the period in which they are incurred. Depreciation is provided on all property, plant and equipment. The Company periodically reviews assets' estimated useful lives based upon actual experience and expected future utilization, and any change in estimated useful life is treated as a change in accounting estimate and recognized prospectively.

Depreciation expense is recognized in earnings on a straight-line basis over the estimated useful life of the related asset. The estimated useful lives are as follows:

Buildings	30 years
Machinery and equipment	2-8 years
Computer software and equipment	3-10 years
Furniture and fixtures	2-8 years
Leasehold improvements	Shorter of lease term or remaining life of the assets
Assets under capital lease	Shorter of lease term or remaining life of the assets

The Company assesses potential impairments of its long-lived assets, including definite-lived intangible assets whenever events or changes in circumstances indicate that the asset's carrying value may not be recoverable. An impairment charge would be recognized when the carrying amount of a long-lived asset or asset group is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. If the carrying amount is not recoverable, an impairment charge would be recognized when the carrying amount of the long-lived asset or asset group exceeds its fair value, as based on its discounted cash flows.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is recognized in selling, general and administrative expenses.

Intangible assets and goodwill:

Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or more frequently when events or changes in circumstances indicate that the carrying amount of the assets may be impaired. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include deterioration in general economic conditions, adverse changes in the markets in which an entity operates, increases in input costs that have negative effects on earnings and cash flows, or a trend of negative or declining cash flows over multiple periods, among others. The fair value that could be realized in an actual transaction may differ from that used to evaluate the impairment of goodwill and other intangible assets.

Goodwill is tested annually on March 1. The Company may first assess qualitative factors before utilizing a quantitative assessment to determine whether a goodwill impairment exists. Under the goodwill two-step quantitative impairment test, the evaluation of impairment involves comparing the current fair value of each reporting unit to its carrying value, including goodwill. The first step of the test compares the carrying value of a reporting unit, including goodwill, with its fair value. We estimate the fair value using level 3 inputs as defined by the fair value hierarchy. Refer to Note 2 for the definition of the levels in the fair value hierarchy. The inputs used to calculate the fair value include a number of subjective factors, such as estimates of future cash flows, estimates of our future cost structure, discount rates for our estimated cash flows, required level of working capital, assumed terminal value, and time horizon of cash flow forecasts. If the carrying value of a reporting unit exceeds its fair value, we complete the second step of the test to determine the amount of goodwill impairment loss, if any, to be recognized. In the second step, we estimate an implied fair value of the reporting unit's goodwill by allocating the fair value of the reporting unit to all of the assets and liabilities other than goodwill (including any unrecognized intangible assets). The impairment loss is equal to the excess of the carrying value of the goodwill over the implied fair value of that goodwill.

Indefinite lived intangible assets are tested annually on May 31. The Company may first assess qualitative factors before performing a quantitative impairment test for its intangible assets. The estimates of fair value are determined using a relief-from-royalty method.

Intangible assets with definite lives are amortized over their estimated useful lives and tested for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may be impaired. Intangible assets with definite lives are evaluated for impairment using a process similar to that used in evaluating elements of property, plant and equipment. If impaired, the asset is written down to its fair value.

The Company did not record any impairment charges in the years ending May 31, 2015, 2014 or 2103, respectively.

A summary of the policies applied to the Company's intangible assets are:

	Useful Life	Weighted-average amortization period	Method of amortization
Trade names and trademarks	Indefinite		
Purchased technology	Finite	9 years	Straight-line
Customer relationships	Finite	18 years	Cash flow
Leases	Finite	6 years	Straight-line
Non-compete agreements	Finite	3 years	Straight-line

Segment reporting:

The Company's operating segments are organized on the basis of the management structure established to assess segment performance. The Hockey segment includes the Bauer and Mission brands; the Baseball/Softball segment includes the Easton and Combat brands; and Other Sports includes the Lacrosse and Soccer operating segments, which includes the Maverik and Cascade brands for Lacrosse and the Inaria brand for Soccer.

Income taxes:

The Company accounts for income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred taxes are measured using enacted tax rates expected to

apply to taxable income in years in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

A valuation allowance is provided against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company uses a two-step process for the measurement of uncertain tax positions that have been taken or are expected to be taken in a tax return. The first step is a determination of whether it is more likely than not that the tax position will be sustained on the basis of the technical merits of the position. The second step determines the measurement of the tax position based on the probability of it being sustained in the event of a tax examination. The Company records potential interest and penalties on uncertain tax positions as a component of income tax expense.

Fair value measurements:

Certain assets and liabilities are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 - Quoted prices in active market for identical assets or liabilities
- Level 2 - Observable inputs (other than Level 1 quoted market prices) such as quoted prices in active market for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's foreign currency forward contracts and variable cash bonuses (see Note 18) are carried at fair value determined according to the fair value hierarchy described above. The carrying amounts shown for the Company's cash, trade and other receivables and trade and other payables approximate fair value because of the short term maturity of those instruments. The carrying amount of the loan receivable approximates fair value due to the recent nature of this transaction. The fair value of the Company's long-term debt (see Note 8) bearing interest at variable rates is considered to approximate the carrying amount. The finance lease obligations are recorded at carrying value, which approximates fair value.

Derivatives:

In the normal course of business, the Company's consolidated balance sheets and consolidated statements of income are impacted by currency rate movements in foreign currency denominated assets, liabilities and cash flows as the Company purchases and sells goods in local currencies, except for the purchases of finished goods inventory, which are predominantly in U.S. dollars. The Company is also impacted by interest rate movements on its variable interest rate debt. The Company has established policies and business practices that are intended to mitigate a portion of the effect of these exposures. The Company uses derivative financial instruments, specifically foreign currency forward contracts and interest rate contracts to manage exposures. Currently, all of the Company's derivative financial instruments are not designated as derivatives that qualify for hedge accounting, and are accordingly recorded at fair value in the consolidated balance sheets with changes in fair value included in unrealized (gain) loss on derivatives. Derivative instruments are included in current assets, non-current assets, current liabilities and non-current liabilities depending on their term to maturity. The Company does not enter into derivative financial instruments for speculative or trading purposes.

Foreign currency translation:

The results and financial position of all of the Company's foreign operations are translated into the Company's reporting currency, the U.S. dollar. The assets and liabilities of foreign operations are translated into U.S. dollars at exchange rates in effect at each accounting period end date. The income and expense items of foreign operations are translated to U.S. dollars at average exchange rates during the period. Gains or losses arising from translation of the financial statements of these foreign operations are recorded in foreign currency translation adjustments, a component of other comprehensive income (loss) in the consolidated statements of stockholders' equity.

Transaction gains and losses generated by the effect of foreign exchange on recorded assets and liabilities denominated in a currency different from the functional currency of the applicable entity are recorded in foreign exchange (gain) loss in the consolidated statements of income in the period in which they occur.

Revenue recognition:

Sales are recognized, in general, as products are shipped to customers, net of an allowance for sales returns and sales programs in accordance with Accounting Standards Codification ("ASC") Topic 605, *Revenue Recognition*. In certain cases, the Company recognizes sales when products are received by customers, depending on the country of sale and the agreement with the customer. Amounts billed to customers for shipping and handling costs are included in revenues and costs incurred related to shipping and handling are included in cost of goods sold. The criteria for recognition of revenue are met when persuasive evidence that an arrangement exists and both title and risk of loss have passed to the customer, the price is fixed or determinable and collectability is reasonably assured. Sales returns are estimated based upon historical returns, current economic trends, changes in customer demands and sell-through of products. The Company also records estimated reductions to revenue for sales programs such as incentive offerings, including special pricing agreements, promotions, advertising allowances and other volume-based incentives. Sales program accruals are estimated based on agreements with applicable customers, historical experience with the customers and/or product, historical sales returns, and other relevant factors.

Share-based compensation:

The Company maintains share-based compensation plans providing executives, board members, certain other employees and consultants with stock options. The options vest in tranches over a vesting period of up to 6 years and expire after 10 years.

The Company uses the Black-Scholes option-pricing model to estimate the fair market value of all share-based compensation awards, excluding awards which may be partially settled in cash (see Note 18) and deferred share units (see Note 14), which requires various assumptions, including volatility and expected option life. The Company uses the "simplified method" to estimate the expected life of options for employee awards that qualify as "plain-vanilla" options as it lacks sufficient company-specific historical information as it relates to the exercise of options. The "simplified method" calculates the expected life of a stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all vesting tranches. For all options granted to nonemployees, the estimated expected term is equal to the contractual life of the option, which is 10 years. The risk free interest rate is based on the yield for the U.S. Treasury bill or Canada Benchmark Bond Yield rates, as applicable, with a maturity equal to the expected life of the stock option. Expected volatility is estimated based on the historic average share price volatility of the Company's peers.

The fair value of each tranche of the options granted to senior management, board members, and certain other employees is determined separately at the date granted using the Black-Scholes option pricing model. The grant date fair value, net of expected forfeitures, is expensed over the vesting period of each tranche, using an accelerated method. Expected forfeitures are estimated based on the Company's historic average.

For stock options granted to nonemployees, compensation expense is recognized over the period during which services are rendered by such nonemployee consultants until completed. At the end of each financial reporting period prior to completion of service, the fair value of these awards is remeasured using the then-current fair value of the Company's common stock and updated assumption inputs in the Black-Scholes option pricing model. The Company issues new shares of its common stock upon exercise of its stock options.

Share-based payments expense is classified as selling, general and administrative expense in the consolidated statements of income with a corresponding increase in equity.

Advertising costs:

Advertising costs are expensed as incurred and are included as a component of selling, general and administrative expenses.

A significant amount of the Company's promotional expenses results from payments under endorsement contracts. Accounting for endorsement payments is based upon specific contract provisions. Generally, endorsement payments are expensed on a straight-line basis over the term of the contract after giving recognition to periodic performance compliance provisions of the contracts. Prepayments made under contracts are included in prepaid expenses and other assets.

Through cooperative advertising programs, the Company reimburses its retail customers for certain costs of advertising the Company's products. The Company records these costs as a reduction of revenues at the point in time when it is obligated to its

customers for the costs, which is when the related revenues are recognized. This obligation may arise prior to the related advertisement being run.

For the years ended May 31, 2015, 2014 and 2013, advertising costs, expensed by the Company in selling, general and administrative expenses, were $30,484, $22,936 and $19,570, respectively.

Research and development:

Research and development costs are charged to operations as incurred.

Earnings per share:

Basic earnings per common share are calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share are calculated by adjusting the weighted average outstanding shares, assuming conversion of all potentially dilutive stock options.

Warranty Policy:

The Company has a warranty policy for its products ranging from 30 days to one year. The Company's policy is to accrue the estimated cost of satisfying future warranty claims at the time the sale is recorded. In estimating its future warranty obligations, the Company considers various relevant factors, including the Company's stated warranty policies and practices, the historical frequency of claims, and the cost to replace or repair its products under warranty. Warranty expense is classified as a cost of goods sold in the consolidated statements of income.

The following table provides a reconciliation of the activity related to the Company's reserve for warranty expense:

	Year Ended May 31,		
	2015	2014	2013
Beginning balance	$ 4,907	$ 1,789	$ 1,501
Accrual	8,072	6,705	4,769
Acquired warranty obligations	—	2,514	382
Claims paid/costs incurred	(8,498)	(6,040)	(4,945)
Other	(130)	(61)	82
Ending balance	$ 4,351	$ 4,907	$ 1,789

Recent Accounting Pronouncements:

During fiscal year 2015, the Company transitioned its accounting from IFRS to U.S. GAAP. The transition was made retrospectively for all periods presented. The transition to U.S. GAAP included the adoption of any relevant accounting pronouncements effective for fiscal years ended prior to May 31, 2015.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement-Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*. This ASU eliminates the concept of extraordinary items in Accounting Standards Codification Subtopic 225-20, *Income Statement-Extraordinary and Unusual Items*. The standard eliminates and no longer requires that an entity recognize an unusual and infrequent event separately in the income statement as an extraordinary item, net of tax. This ASU is effective for fiscal years beginning after December 15, 2015, and for interim periods within those fiscal years. The Company has adopted this standard in the fourth quarter ending May 31, 2015. The adoption of this standard had no impact on the consolidated statements of income.

In April 2015, the FASB issued ASU 2015-03, *Interest - Imputation of Interest - Simplifying the Presentation of Debt Issuance Costs*, which, when effective, will require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The guidance is effective for annual periods beginning after December 15, 2015 and interim periods within that year. An entity should apply the new guidance on a retrospective basis, wherein the balance sheet or each individual period presented should be adjusted to reflect the period-

specific effects of applying the new guidance. Early adoption is permitted. The Company has adopted this standard in the fourth quarter ending May 31, 2015 and applied it retrospectively for all periods presented.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers: Topic 606*. This ASU outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. This accounting standard is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Early adoption is not permitted. The Company is currently evaluating the impact this accounting standard will have on the Company's consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. ASU 2014-12 requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. The Company does not expect this update to have a material effect on its consolidated financial statements as the terms of outstanding share-based payments do not include awards related to performance targets. However, the Company will continue to evaluate this accounting standard for future issuances of share-based payments.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements-Going Concern.* The new guidance addresses management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Management's evaluation should be based on relevant conditions and events that are known and reasonably knowable at the date that the consolidated financial statements are issued. The standard will be effective for the first interim period within annual reporting periods ending after December 15, 2016. Early adoption is permitted. The Company is evaluating the effect that this guidance will have on its consolidated financial statements.

The Company has reviewed all other recently issued accounting standards in order to determine their effects, if any, on the consolidated financial statements. Based on that review, the Company believes that none of these standards will have a significant effect on current or future earnings or results of operations.

3. BUSINESS ACQUISITIONS

Easton Baseball/Softball

On April 15, 2014, the Company acquired substantially all of the assets and assumed certain liabilities formerly used in Easton-Bell Sports, Inc.'s baseball, softball and lacrosse businesses ("Easton Baseball/Softball") from Easton-Bell Sports, Inc. (now named BRG Sports, Inc. ("BRG Sports")). The acquisition allowed the Company to expand its presence in the baseball and softball market as Easton is North America's leading diamond sports brand.

Upon closing of the acquisition, the Company also owned the Easton brand. In connection with the acquisition, the Company granted a license to BRG Sports to permit BRG Sports and its assigns to use the Easton name in their hockey and cycling businesses only. The Company and BRG Sports also settled certain intellectual property litigation matters related to patents held by the Company concurrently with the closing of the acquisition. The Company received $6,000 from BRG Sports which was recognized as an offset to selling, general and administrative expenses during the year ended May 31, 2014.

The purchase price paid by the Company at closing was $330,000 in cash, plus a working capital adjustment of $21,657. The Company financed the acquisition, and refinanced certain existing indebtedness, with a combination of a $200,000 asset-based revolving loan and a $450,000 term loan. Refer to Note 8 - Debt for details on the Company's outstanding debt.

The Company has completed its valuation of assets acquired and liabilities assumed. The allocation of the purchase price to the individual assets acquired and liabilities assumed under the purchase method of accounting resulted in $55,301 of goodwill of which the entire amount is expected to be deductible for tax purposes. The goodwill associated with the transaction was due to management's conclusion that the acquisition coincided with the Company's strategy of expanding its baseball and softball product offerings to drive revenue growth and expected synergies from combining operations.

The following table presents the final allocation of purchase price related to the business as of the date of the acquisition:

Net assets acquired:		
Trade receivables	$	72,119
Inventories		39,473
Property, plant and equipment		3,904
Intangible assets		205,550
Other assets		786
Total Assets acquired		321,832
Current liabilities		(25,476)
Total liabilities assumed		(25,476)
Net assets acquired	$	296,356
Consideration paid to seller	$	351,657
Goodwill	$	55,301

The estimated fair values and useful lives of intangible assets acquired as of the acquisition date were as follows:

		Amount	Weighted-Average Remaining Useful Life
Trade names and trademarks	$	134,300	Indefinite
Customer relationships		61,450	20
Purchased technology		9,800	6
Total intangible assets acquired	$	205,550	

The trade names and trademarks and purchased technology were valued using the relief-from-royalty method. The relief-from royalty method recognizes that the current value of an asset may be premised upon the expected receipt of future economic benefit in the use of the acquired technology. These benefits are generally considered to be higher income resulting from the avoidance of a loss in revenue that would likely occur without the specific technology.

Customer relationships were valued using the excess earnings method. The excess earnings method recognizes that the current value of an asset may be premised upon the present value of the earnings it generates, net of a reasonable return on other assets also contributing to that stream of earnings.

As a result of the acquisition, the Company stepped-up the acquired inventory to fair market value. The amount of the step-up was $10,055. Of this amount, $7,234 and $2,857 was charged to costs of goods sold for the years ended May 31, 2015 and 2014, respectively.

The Company incurred acquisition-related costs in the years ended May 31, 2015 and 2014 of $282 and $4,331, respectively, relating to external legal fees, consulting fees and due diligence costs. The costs are included in selling, general and administrative expenses.

The amounts of Easton Baseball/Softball's revenue and net loss included in the Company’s consolidated statements of income for the year ended May 31, 2014 was $13,955 and $2,979, respectively.

At May 31, 2014, trade and other receivables, net includes a receivable from BRG Sports in the amount of $33,009 which consists of cash receipts from customers paid to BRG Sports that was owed to the Company. The Company received $33,009 by July 2014.

Pro forma information (Unaudited)

The following unaudited pro forma financial information presents the consolidated results of operations if the Easton Baseball/Softball acquisition had occurred on June 1, 2012:

	Year ended May 31,	
	2014	2013
Revenues	$ 602,228	$ 562,388
Net income	35,251	33,926
Earnings per share:		
Basic	$ 0.99	$ 0.99
Diluted	$ 0.94	$ 0.93

In determining these amounts, management has assumed the fair value adjustments which arose on the date of acquisition would have been the same if the acquisitions had occurred on June 1, 2012. In addition, the intellectual property litigation would have settled on June 1, 2012. This pro forma information is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated at that time, nor is it intended to be a projection of future results. The pro forma results also do not include, among other items, the effects of the anticipated synergies from combining the two companies or differences in the combined Company's operating structure.

On May 3, 2013, the Company acquired substantially all of the assets and assumed certain liabilities of Combat Sports ("Combat"), a manufacturer and distributor of composite baseball and softball bats, hockey sticks and lacrosse shafts. The acquisition provided the Company with intellectual property that strengthened its research and development portfolio and expanded the Company's product offering into baseball and softball. The purchase price paid by the Company at closing was $3,342 in cash, net of $630 collected on trade receivables. The acquisition was funded through cash on hand. The allocation of the purchase price to the individual assets acquired and liabilities assumed under the purchase method of accounting resulted in a gain on bargain purchase as a result of the excess of the estimated fair value of the assets and liabilities acquired over the purchase price. The gain on bargain purchase of $1,190 was due to the fact that Combat was in bankruptcy and was being sold through a bidding process. The Company acquired substantially all the assets and assumed liabilities of Combat out of bankruptcy. Due to the bankruptcy it is impractical to provide pro forma financial information for the impact on revenue and consolidated net income as the information cannot be reasonably determined.

On October 16, 2012, the Company acquired substantially all of the assets of Inaria International ("Inaria"), a manufacturer and distributor of team sports and active apparel. The acquisition provided the Company with full team apparel capabilities, including the design, development and manufacturing of uniforms for soccer, ice hockey, roller hockey, lacrosse, baseball, soccer and other team sports. The purchase price paid by the Company at closing was $7,145 in cash. The acquisition was funded by additional borrowings on the revolving credit line.

On June 29, 2012, the Company purchased all of the issued and outstanding shares of the capital stock of Cascade Helmets Holdings, Inc. ("Cascade"), primarily a manufacturer and distributor of lacrosse equipment and a growing hockey helmet business. The acquisition allowed the Company to expand its presence in the growing lacrosse market, whose helmet and headgear products were complementary to the Company's existing offering of lacrosse equipment products under the Maverik brand. In addition, the Company leveraged Cascade's patented head-protection technologies in both lacrosse and hockey. The total consideration paid to the seller at closing was $68,131 in cash, or $64,788 net of cash acquired of $3,343. The acquisition was funded by a public offering of 3,691,500 common shares at a price of $7.80 Canadian dollars per share for aggregate proceeds, net of underwriting fees of $1,401 ($1,440 Canadian dollars), of $26,613 ($27,354 Canadian dollars) and the issuance of 642,000 common shares resulting in proceeds of $4,888 ($5,008 Canadian dollars). The acquisition was also funded by a $30,000 senior secured term facility maturing on March 16, 2016 and the balance through additional borrowings on the revolving loan.

If the Inaria and Cascade acquisitions had occurred on June 1, 2012, consolidated revenue would have been approximately $405,005 and consolidated net income would have been approximately $24,829 for the year ended May 31, 2013. In determining these amounts, management has assumed the fair value adjustments which arose on the date of acquisition would have been the same if the acquisitions had occurred on June 1, 2012. This pro forma information is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated at that time, nor is it intended to be a projection of future results.

4. CONCENTRATIONS

Revenues & Trade Receivables

The Company had one customer that accounted for approximately 12% of trade and other receivables, net at May 31, 2015 and 2014.

The Company had one customer that accounted for approximately 10%, 14% and 11% of revenues for the years ended May 31, 2015, 2014 and 2013, respectively.

Country and supplier concentrations

The Company's products are generally produced by contract manufacturers located outside the United States, principally in Asia. The Company's four largest suppliers of inventory accounted for approximately 62% of total inventory purchases for the year ended May 31, 2015. The Company's three largest suppliers of inventory accounted for approximately 61% of total inventory purchases for the year ended May 31, 2014. These companies, however, have multiple factory locations, many of which are in different countries, thus reducing the risk that unfavorable conditions at a single factory or location will have a material adverse effect on the Company.

5. PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net consisted of the following:

	May 31, 2015	May 31, 2014
Buildings	$ 14,737	$ 7,553
Machinery and equipment	10,946	9,691
Computer software and equipment	25,681	16,452
Furniture and fixtures	5,605	5,483
Leasehold improvements	3,874	3,801
Construction in progress	5,545	600
	66,388	43,580
Less: accumulated depreciation	(19,337)	(18,258)
Total property, plant and equipment, net	$ 47,051	$ 25,322

The Company has contractual commitments at May 31, 2015 to purchase property, plant and equipment for $4,051.

6. OTHER NON-CURRENT ASSETS

In August 2014, the Company entered into a loan agreement with KNIC Properties L.P. (“KNIC”) lending KNIC $4,000 as a commercial loan, bearing interest at 12% per annum. The loan receivable matures on August 1, 2020, at which time all outstanding principal and accrued interest is due and payable in full.

As of May 31, 2015, the Company accrued approximately $400 as interest income. The loan is accounted for at cost plus accrued interest and is evaluated periodically for impairment. As of May 31, 2015, no reserve for uncollectibility was established.

7. INTANGIBLE ASSETS, NET AND GOODWILL

Intangible assets

Intangible assets, net consisted of the following:

	May 31, 2015			May 31, 2014		
	Gross Amount	Accumulated Amortization	Carrying Value	Gross Amount	Accumulated Amortization	Carrying Value
Trade names and trademarks	$ 199,481	$ —	$ 199,481	$ 204,910	$ —	$ 204,910
Purchased technology	21,413	(7,135)	14,278	22,356	(4,822)	17,534
Customer relationships	86,513	(23,518)	62,995	88,566	(15,008)	73,558
Non-compete agreements	—	—	—	1,045	(922)	123
Leases	—	—	—	434	(421)	13
Total	$ 307,407	$ (30,653)	$ 276,754	$ 317,311	$ (21,173)	$ 296,138

Amortization expense for the years ended May 31, 2015, 2014, and 2013 was $13,301, $5,201 and $3,966, respectively. Amortization expense related to intangible assets held by the Company as of May 31, 2015 for each of the next five fiscal years and beyond is expected to be incurred as follows:

2016	$ 11,929
2017	10,716
2018	9,661
2019	8,477
2020	7,493
2021 and thereafter	28,997
Expected amortization expense of intangible assets	$ 77,273

Goodwill

Goodwill consisted of the following:

	Hockey	Baseball/Softball	Other Sports	PSG	Total
Balance as of May 31, 2013	$ —	$ —	$ —	$ 47,394	$ 47,394
Acquisition of businesses	—	55,301	—	—	55,301
Allocation of goodwill	43,840	—	3,625	(47,465)	—
Exchange differences	—	73	3	71	147
Balance as of May 31, 2014	$ 43,840	$ 55,374	$ 3,628	$ —	$ 102,842

Following the acquisition of Easton Baseball/Softball in the fourth quarter of the year ended May 31, 2014, the Company updated their reportable segments, as described in Note 17. In conjunction with this change, the Company allocated goodwill to its identified reporting units on a relative fair value basis. Fair value of reporting units is determined using a combination of two valuation methods: a market approach and an income approach. Each method is generally given equal weight in determining the fair value assigned to each reporting unit.

	Hockey	Baseball/Softball	Other Sports	Total
Balance as of May 31, 2014	$ 43,840	$ 55,374	$ 3,628	$ 102,842
Acquisition of businesses	—	—	—	—
Exchange differences	—	—	(87)	(87)
Balance as of May 31, 2015	$ 43,840	$ 55,374	$ 3,541	$ 102,755

During the years ended May 31, 2015, 2014 and 2013, the Company determined that its goodwill and intangible assets were not impaired.

8. DEBT

The debt outstanding is comprised of:

	May 31, 2015	May 31, 2014
Asset-based revolving loan	$ 92,878	$ 89,544
Term loan due 2021	330,457	450,000
Financing costs	(12,514)	(16,710)
Total debt	$ 410,821	$ 522,834
Current	$ 90,550	$ 91,435
Non-current	320,271	431,399
Total debt	$ 410,821	$ 522,834

New Credit Facility

On April 15, 2014, the Company, concurrently with the Easton Baseball/Softball acquisition, entered into the New Term Loan Facility (as defined herein) and the Company and certain of its subsidiaries entered into the New ABL Facility (as defined herein) with Bank of America, B.A. The New Term Loan Facility and the New ABL Facility (referred to herein together as the “Credit Facilities”) replaced the Company’s existing credit facilities. The Credit Facilities are comprised of a (i) $450,000 term loan facility (the ‘‘New Term Loan Facility’’) and a (ii) $200,000 asset-based revolving loan (the ‘‘New ABL Facility’’). The Company refinanced its former credit facilities, financed the cash purchase price of the Easton Baseball/Softball acquisition and paid fees and expenses incurred in connection with the transaction with the use of cash on hand and an aggregate amount of $475,000 drawn from the Credit Facilities. In connection with the Credit Facilities, the Company incurred and capitalized $16,803 in fees in the year ended May 31, 2014.

The New Term Loan Facility of $450,000 matures on April 15, 2021 and is subject to quarterly amortization of principal equal to 0.25% of the original aggregate principal amount of the New Term Loan Facility drawn, with the balance of the New Term Loan Facility payable on maturity. The interest rates per annum applicable to the New Term Loan equal an applicable margin percentage, plus, at the Company’s option, (i) the U.S. base rate or (ii) LIBOR (subject to a 1% floor). The applicable margin is 2.50% per annum in the case of U.S. base rate advances and 3.50% per annum in the case of LIBOR advances, subject to adjustment upon the occurrence of the Leverage Step-Down Trigger (as defined in the New Term Loan Facility) for so long as the Consolidated Total Net Leverage Ratio (as defined in the New Term Loan Facility) remains less than 4.25:1.00.

On June 25, 2014, the Company completed its underwritten public offering in the United States and Canada (the "Offering") of 8,161,291 common shares at a price to the public of $15.50 U.S. dollars per share, for total gross proceeds of approximately $126,500, including the exercise in full of the over-allotment option. Refer to Note 13 - Stockholders' Equity. The Company used the net proceeds of the Offering to repay $119,500 of the New Term Loan Facility. The repayment was first applied against the outstanding amortization payments and as such no further amortization payments are due during the life of the facility. The repayment also reduced the applicable margin by 0.50% per annum which is a component of the interest rate on the New Term Loan Facility.

The New ABL Facility of $200,000 matures on April 15, 2019 and is equal to the lesser of $200,000 (or Canadian dollar equivalent) and the borrowing base. The borrowing base is based on the Company’s accounts receivable and inventory balances. The New ABL Facility includes a $25,000 letter of credit facility and a $20,000 swing loan facility. The amounts outstanding under the New Term Loan Facility and the New ABL Facility are secured by certain assets, including the Company’s trade and other receivables and inventory, with priority given first to the New ABL Facility. At the option of the Company, until August 31, 2014, the interest rates under the New ABL Facility were (i) LIBOR or CDOR, as applicable, plus 1.75% per annum or (ii) the U.S. base rate or Canadian prime rate, as applicable, plus 0.75% per annum. Following August 31, 2014, interest rate margins under the New ABL Facility are determined with reference to the following grid, based on the average availability, as a percentage of the aggregate commitments during the immediately preceding quarter:

Average Availability (% of Line Cap)[1]	Interest Rate Margin for LIBOR/CDOR Rate Loans	Interest Rate Margin for U.S. Base Rate/Canadian Prime Rate Loans
Equal to or greater than 66%	1.50 %	0.50 %
Less than 66% but equal to or greater than 33%	1.75 %	0.75 %
Less than 33%	2.00 %	1.00 %

(1) The term "% of Line Cap" represents the Company's percentage of aggregate commitments

At May 31, 2015 there are five letters of credit in the amount of $1,403 outstanding under the New ABL Facility. The maximum amount of additional indebtedness (as defined by the New ABL Facility) that could have been outstanding on May 31, 2015, after outstanding borrowings and letters of credit was approximately $106,000.

Former Credit Facility

On June 29, 2012, the Company amended the previous credit facility (the ''Amended Credit Facility'') to increase its borrowing capacity. The Company maintained the Amended Credit Facility up to April 15, 2014. The total loss on extinguishment of debt for the year ended May 31, 2014 was $2,589. The Amended Credit Facility was comprised of a (i) $130,000 term loan facility, denominated in both Canadian dollars and U.S. dollars and (ii) $145,000 revolving loan, denominated in both Canadian dollars and U.S. dollars, the availability of which was subject to meeting certain borrowing base requirements, such as eligible accounts receivable and inventory.

The revolving loan included a $20,000 letter of credit subfacility and a $10,000 swing line loan facility. The term loan and the revolving loan were to mature on March 10, 2016. In connection with the Amended Credit Facility, the Company incurred $1,569 in fees, of which $304 was recognized in selling, general and administrative expenses in the year ended May 31, 2013 and $1,265 was capitalized.

The interest rates per annum applicable to the loans under the Amended Credit Facility equal an applicable margin percentage, plus, at the Company's option depending on the currency of borrowing, (i) the U.S. base rate/Canadian Base rate or (ii) LIBOR/Bankers Acceptance rate. The applicable margin percentages and the unused commitment fee was subject to adjustment based upon the ratio of the total debt to Adjusted EBITDA as follows:

Total Debt to Adjusted EBITDA	Base Rate/Canadian Base Rate	LIBOR/BA Rate	Unused Commitment Fee
Equal to or greater than 3.0x	1.25 %	2.50 %	0.50 %
Equal to or greater than 2.5x but less than 3.0x	1.00 %	2.25 %	0.45 %
Equal to or greater than 2.0x but less than 2.5x	0.75 %	2.00 %	0.40 %
Less than 2.0x	0.50 %	1.75 %	0.35 %

The Amended Credit Facility included covenants that required the Company to maintain a minimum fixed charge ratio, a minimum leverage ratio and maximum capital expenditures.

The range of interest rates on the credit facilities is as follows:

	Year ended May 31,	
	2015	2014
Asset-based revolving loan	1.90% - 4.00%	1.24% - 4.00%
Revolving loan	—	2.48% - 4.25%
Term loan due in 2021	4.00% - 4.50%	4.50% - 5.75%
Term loan due in 2016	—	2.48% - 4.25%

Maturities of debt in each of the fiscal years ending May 31 are as follows:

2016	$ 92,878
2017	—
2018	—
2019	—
2020	—
Thereafter	330,457
Total Debt	$ 423,335

9. ACCRUED LIABILITIES

Current accrued liabilities consisted of the following:

	May 31, 2015	May 31, 2014
Accrued payroll and related costs, excluding taxes	$ 12,728	$ 13,820
Accrued advertising and volume rebates	13,749	10,339
Accrued legal fees	438	1,319
Accrued endorsement and royalties	1,877	1,949
Customer credit balances	533	1,371
Warranty	4,351	4,907
Other	11,831	11,203
Total accrued liabilities	$ 45,507	$ 44,908

10. INCOME TAXES

The components of income before income taxes and income tax expense are summarized as follows:

	Year ended May 31,		
Income before income taxes:	2015	2014	2013
Canada	$ (23,269)	$ 22,456	$ 24,030
U.S.	13,594	1,695	9,181
Other	16,327	2,117	654
Total income before income taxes	$ 6,652	$ 26,268	$ 33,865
Income tax expense:			
Current:			
Canada	$ 721	$ 7,544	$ 1,672
U.S. Federal	7,144	3,250	3,245
Other	311	346	90
Total current tax expense	8,176	11,140	5,007
Deferred:			
Canada	(2,238)	(1,483)	4,125
U.S. Federal	(2,568)	(3,376)	(491)
Total deferred tax expense (benefit)	(4,806)	(4,859)	3,634
Total income tax expense	$ 3,370	$ 6,281	$ 8,641

The amount of income tax expense expected based on applying the Company's Canadian statutory income tax rate of approximately 26.6% to pretax income differs from income tax expense included in the consolidated statements of income due to the following:

	Year ended May 31,		
	2015	2014	2013
Income tax at Canadian statutory rate	$ 1,770	$ 6,994	$ 9,019
Share-based compensation	233	137	(2)
Change in valuation allowance	1,683	—	(178)
Change in enacted rates	98	(69)	265
Capital (gains) losses taxed at capital rate	1,600	(563)	—
Notional interest	(4,290)	(307)	—
Non-deductible items	700	543	370
Investment tax credits	(887)	(1,326)	(754)
Return to provision and other prior year items	(24)	625	(918)
Non-Canada tax rate differential	2,272	199	1,191
Other	215	48	(352)
Income tax expense	$ 3,370	$ 6,281	$ 8,641

The significant components of deferred tax assets and liabilities are presented below:

	May 31, 2015	May 31, 2014
Deferred tax assets:		
Net operating loss carryforwards	$ 6,573	$ 4,915
Allowance for doubtful accounts	3,992	2,024
Net capital loss carryforwards	1,558	—
Transaction costs	1,738	725
Inventory	4,405	2,834
Accrued expenses	7,809	5,697
Share-based compensation and defined benefit plans	4,441	3,949
Other liabilities	5,138	1,362
Other	172	184
Gross deferred tax assets	35,826	21,690
Valuation allowance	(1,683)	—
Deferred tax assets, net of valuation allowance	34,143	21,690
Deferred tax liabilities:		
Intangible assets	(16,962)	(13,248)
Property, plant and equipment	(7,507)	(3,809)
Unremitted earnings of certain foreign subsidiaries	(654)	(750)
Other	(146)	(1,576)
Deferred tax liabilities	(25,269)	(19,383)
Net deferred tax assets	$ 8,874	$ 2,307

The Company evaluates its ability to realize the tax benefits associated with deferred tax assets by analyzing both historical and projected future operating results, the reversal of existing temporary differences, taxable income in prior carry-back years and the availability of tax planning strategies. The valuation allowance of $1,683 at May 31, 2015 relates to Canadian unrealized losses on capital items which are subject to tax deduction limitations.

A tabular roll forward of the Company's gross unrecognized tax benefits is presented below:

	Year ended May 31,		
	2015	2014	2013
Balance at beginning of year	$ 1,600	$ 1,611	$ 1,611
Translation gain	(27)	(11)	—
Balance at end of year	$ 1,573	$ 1,600	$ 1,611

Of the $1,573 of gross unrecognized tax benefits from uncertain tax positions outstanding at May 31, 2015, $183 would affect the Company's tax rate if recognized. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of selling, general and administrative expense. Accrued interest and penalties related to unrecognized tax positions as of May 31, 2015 and 2014, and recorded in each of the years ended May 31, 2015, 2014 and 2013 were not significant.

The Company conducts business globally and, as a result, its subsidiaries file income tax returns in Canada, U.S. federal and state jurisdictions and various foreign jurisdictions. In the normal course of business the Company may be subject to examination by taxing authorities throughout the world, including such major jurisdictions as Canada and the United States. The Company is currently under income tax examination in Germany for the fiscal years ended May 31, 2003 through 2011. The statute of limitations in the Company's other tax jurisdictions remain open for various periods between 2011 and the present. However, carryforward attributes from prior years may still be adjusted upon examination by tax authorities if they are used in an open period.

At May 31, 2015 and 2014 the Company has Canadian non-capital loss carryforwards of $25,113 and $18,868, respectively, which expire at various times through 2035. At May 31, 2015, the Company has capital loss carryforwards in Canada of $1,854 for which a full valuation allowance exists. These capital losses are available indefinitely to offset taxable capital gains.

The Company has recognized a deferred income tax liability in the amount of $654 for the undistributed earnings of two of its foreign subsidiaries in the current or prior years for the earnings it expects to repatriate. We have not provided for deferred income taxes or withholding taxes on the undistributed earnings of the remaining foreign subsidiaries because such earnings are considered permanently reinvested. It is not practicable to estimate the amount of tax that may be payable upon distribution because such liability, if any, is dependent on circumstances existing if and when such remittance occurs.

11. EMPLOYEE BENEFIT PLANS

Defined benefit plans

The Company has two defined benefit pension plans. These plans are not registered, are not funded, and do not accept new participants. Additionally, current participants do not earn any additional benefits outside of those earned by eligible employees during their service period with the Company. The Canadian defined benefit pension plan was available to designated senior management and executives. The U.S. defined benefit pension plan was available to designated employees. Payouts under these plans are dependent on the Company's ability to pay at the time the participants are entitled to receive their payments. The Company also pays all of the costs of a post-retirement life insurance plan which is available to most Canadian employees. This plan is not funded.

The following table provides the defined benefit plan liabilities:

	Defined Benefit Pension Plan		Post-retirement Life Insurance Plan		Total Retirement Benefit Obligation	
	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014
Current	$ 320	$ 358	$ —	$ —	$ 320	$ 358
Non-current	4,473	4,956	584	550	5,057	5,506
Total	$ 4,793	$ 5,314	$ 584	$ 550	$ 5,377	$ 5,864

Changes in the present value of the projected defined benefit pension plan liabilities are as follows:

	Year ended May 31,		
	2015	2014	2013
Beginning balance	$ 5,314	$ 5,271	$ 5,307
Interest cost	225	212	236
Benefits paid	(320)	(358)	(358)
Exchange rate gain	(612)	(237)	(15)
Actuarial losses	186	426	101
Total	$ 4,793	$ 5,314	$ 5,271

The components of net periodic benefit costs are as follows:

	Year ended May 31,		
	2015	2014	2013
Interest cost	$ 287	$ 264	$ 290
Amortization of net actuarial loss	29	15	9
Net periodic benefit costs	$ 316	$ 279	$ 299

The Company's accumulated benefit obligation includes amounts that are not yet reflected in net periodic benefit cost and are recognized in accumulated other comprehensive income:

	Year ended May 31,		
	2015	2014	2013
Net actuarial loss	$ 1,187	$ 1,144	$ 760
Accumulated other comprehensive loss at year end	1,187	1,144	760
Cumulative employer contributions in excess of net periodic benefit cost	3,606	4,170	4,511
Net liability recognized in consolidated balance sheets	$ 4,793	$ 5,314	$ 5,271

Estimated amortization of net actuarial losses (gains) from accumulated other comprehensive income into net periodic benefit cost for the following fiscal year is $35.

The following table provides the principal actuarial assumptions used in determining the defined benefit pension obligation:

	Year ended May 31,		
	2015	2014	2013
Canadian Plan			
Discount rate	3.60%	4.00%	4.10%
Inflation rate	2.00%	2.10%	2.10%
U.S. Plan			
Discount rate	3.80%	3.80%	3.50%
Inflation rate	N/A	N/A	N/A

The discount rate was selected based on a review of current market interest rates of high quality, fixed rate debt securities adjusted to reflect the duration of expected future cash outflows for the defined pension benefit payments. The rate is determined by management with the aid of third-party actuaries. The mortality table used for the defined benefit plan obligation and benefit plan costs was UP-94 Generational.

The effect of a 1% change in the discount rate and inflation rate of the defined benefit pension obligation is reflected in the following table:

	Discount Rate for the year ended May 31, 2015		Inflation Rate for the year ended May 31, 2015	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on interest cost	$ 5	$ (7)	$ (2)	$ 1

	Discount Rate for the year ended May 31, 2015		Inflation Rate for the year ended May 31, 2015	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on defined benefit obligation	$ (438)	$ 517	$ (34)	$ 28

Benefits expected to be paid over the next five fiscal years are:

2016	$ 320
2017	320
2018	320
2019	320
2020	320
Thereafter	3,777
Total	$ 5,377

Defined contribution plans

The Company has two defined contribution pension plans: a defined contribution Registered Retirement Savings Plan (“RRSP”) which is available to most Canadian employees and a defined contribution 401(k) plan that covers all employees in the United States. The terms of the RRSP provides for annual contributions by the Company as determined by executive management. Contributions to the RRSP for the years ended May 31, 2015, 2014 and 2013 were $499, $451 and $447, respectively. The RRSP contributions are included in cost of goods sold, selling, general and administrative expenses and research and development expenses.

Employees are eligible to participate in the defined contribution 401(k) plan immediately upon hire; there is no service requirement. The 401(k) plan provides for matching contributions in an amount equal to 100% of the first 4% contributed by the employee to the plan. Matching contributions to the 401(k) plan were $872, $562 and $478 for the years ended May 31, 2015, 2014 and 2013, respectively. The 401(k) plan contributions are included in cost of goods sold, selling, general and administrative expenses and research and development expenses.

12. COMMITMENTS AND CONTINGENCIES

Leases

Operating Leases

The Company has entered into various long-term operating lease agreements for buildings and equipment that expire at various dates through the fiscal year ended 2030. Amounts of minimum future annual rental commitments under non-cancelable operating leases are as follows:

2016	$	5,421
2017		2,380
2018		1,490
2019		884
2020		754
Thereafter		3,828
	$	14,757

Certain of the leases contain renewal clauses for the extension of the lease for one or more renewal periods. Rent expense for the years ended May 31, 2015, 2014 and 2013 was $4,503, $2,014 and $1,504, respectively.

Financing Obligations: Build-to-suit Leases

In September 2010, the Company entered into a lease agreement as a second tenant of a property in Exeter, New Hampshire (the “Exeter property”) for a lease term of 144 months. During the Company’s assessment of the Exeter property, it was determined that the facility was not in a functional state of use. Per the terms of the lease agreement and due to the Company’s involvement in the restoration of the facility, the Company was determined to be the owner of the facility. Subsequent to the completion of the restoration of the Exeter property, the Company maintained continuing involvement in the premise and consequently did not transfer the substantial risks and rewards of ownership, and thereby failing to meet the provisions for sale-leaseback accounting. Therefore, the Company recognizes the Exeter property and related improvements as a lease financing obligation in accordance with ASC 840 Topic, "Leases" ("ASC 840").

In April 2014, the Company entered into a lease agreement for a building under construction in Blainville (Quebec), Canada (the “Blainville property”) for a lease term of 183 months. Per the terms of the lease agreement and due to the Company’s involvement during the construction of the facility, the Company was determined to be the owner of the Blainville property. Subsequent to the completion of construction of the Blainville property, the Company maintained continuing involvement in the premise and consequently did not transfer the substantial risks and rewards of ownership, and thereby failing to meet the provisions for sale-leaseback accounting. Therefore, the Company recognizes the Blainville property and related improvements as a lease financing obligation in accordance with ASC 840.

Financing and capital lease assets and obligations consisted of the following:

		May 31, 2015		May 31, 2014
Assets:				
Building costs	$	14,737	$	7,553
Machinery and equipment		337		390
		15,074		7,943
Less: accumulated depreciation		(901)		(3,331)
Total	$	14,173	$	4,612
Liabilities:				
Current	$	179	$	218
Long-term		14,406		3,695
Total	$	14,585	$	3,913

As of May 31, 2015, the future minimum lease payments due under the lease financing obligations were as follows:

2016	$	1,602
2017		1,698
2018		1,699
2019		1,699
2020		1,717
Thereafter		12,893
	$	21,308

Depreciation expense related to the properties capitalized under ASC 840 is recognized in the Company's consolidated statements of income within costs of goods sold, selling, general and administrative expenses and research and development expenses as depreciation expense.

Commitments

Contractual Obligations:

The following represents the Company's material contractual obligations as of May 31, 2015:

	Endorsement Contracts[1]	Inventory Purchases [2]	Non-inventory Purchases [3]
2016	$ 7,241	$ 93,049	$ 5,606
2017	3,727	—	767
2018	1,938	—	1,049
2019	743	—	1,232
2020	385	—	1,414
Thereafter	923	—	1,070
	$ 14,957	$ 93,049	$ 11,138

(1) The amounts listed for endorsement contracts represent approximate amounts of base compensation and minimum guaranteed royalty fees the Company is obligated to pay athletes, sport teams, and other endorsers of the Company's products.
(2) Inventory purchase obligations include various commitments in the ordinary course of business that would include the purchase of goods or services that are not recognized in our consolidated balance sheets.
(3) Non-inventory purchase obligations include various commitments in the ordinary course of business that would include the purchase of goods or services that are not recognized in our consolidated balance sheets.

Other contractual obligations not included in the chart above, and discussed elsewhere in the notes to the consolidated financial statements, include lease obligations and scheduled principal payments on outstanding debt.

Contingencies

The Company acquired Kohlberg Sports Group Inc. ("KSGI") on March 10, 2011. In connection with the formation of KSGI in March 2008, a subsidiary of KSGI agreed to pay additional consideration to Nike, Inc. in future periods, based upon the attainment of a qualifying exit event. At May 31, 2015, the maximum potential future consideration pursuant to such arrangements, to be resolved on or before the eighth anniversary of April 16, 2008, is $10,000. On April 16, 2008, all of the security holders of KSGI (collectively, the "Existing Holders") entered into a reimbursement agreement with the Company pursuant to which each such Existing Holder agreed to reimburse the Company, on a pro rata basis, in the event that the Company or any of its subsidiaries are obligated to make a payment to Nike, Inc. As of May 31, 2015, the Company determined that no such qualifying exit event has occurred. The Company will continue to assess the probability of a qualifying exit event through the eighth anniversary date.

In the ordinary course of its business, the Company is involved in various legal proceedings involving contractual and employment relationships, product liability claims, trademark rights, and a variety of other matters. The Company does not believe there are any pending legal proceedings that will have a material impact on the Company's consolidated balance sheets or consolidated statements of income.

13. STOCKHOLDERS' EQUITY

As of May 31, 2015, the Company's authorized share capital consisted of an unlimited number of Common Shares without par value.

Prior to April 8, 2015, the Company's authorized share capital consisted of an unlimited number of Common Shares without par value and an unlimited number of Proportionate Voting Shares. Common Shares, at the option of the holder, were eligible for conversion into Proportionate Voting Shares on the basis of 1,000 common shares for one Proportionate Voting Share. Each outstanding Proportionate Voting Share, at the option of the holder, was also eligible for conversion into 1,000 Common Shares. Except in limited circumstances, no fractional equity share was permitted to be issued on any conversion of another equity share. For all matters coming before shareholders, the Common Shares carry one vote per share and the Proportionate Voting Shares carry 1,000 votes per share. The holders of common shares and proportionate voting shares are entitled to receive notice of any meeting of shareholders of the Company and to attend and vote at those meetings, except those meetings at which holders of a specific class of shares are entitled to vote separately as a class under the British Columbia Business Corporations Act.

The Company's transfer agent and registrar, certified that, as of close of business on April 7, 2015, there were no issued and outstanding Proportionate Voting Shares. In light of this certification and in accordance with the articles of the Company (the "Articles"), the Board of Directors resolved, effective April 8, 2015, that (i) the right of holders of Common Shares to convert their shares into Proportionate Voting Shares shall be terminated and (ii) the Board of Directors shall not be entitled to issue any further Proportionate Voting Shares.

On June 25, 2014, the Company completed its underwritten public offering in the United States and Canada (the "Offering") of 8,161,291 common shares at a price to the public of $15.50 per share, for total gross proceeds of approximately $126,500, including the exercise in full of the over-allotment option. The Company used the net proceeds of the Offering to repay $119,500 of the New Term Loan Facility. The Company incurred $9,739 in common share issuance costs in the year ended May 31, 2015. These costs are recorded in common stock in the consolidated balance sheets.

14. SHARE-BASED COMPENSATION

As of May 31, 2015, the Company had stock options outstanding and exercisable under two shareholder approved plans: the "Rollover Plan" and the "2011 Plan." Additionally, the Company has a Deferred Share Unit Plan (the "DSU Plan") as an optional form of compensation for eligible directors.

Rollover Plan

The Rollover Plan was adopted by the Board of Directors on March 10, 2011. The terms of the Rollover Plan are substantially similar to the terms of the 2011 Plan detailed below, except that all rollover options are fully vested and no further options may be granted under the Rollover Plan. An aggregate of 5,119,815 rollover options were issued under the Rollover Plan.

Information concerning stock option activity under the Rollover Plan is summarized as follows:

	Year ended May 31,					
	2015		2014		2013	
	Number of Stock Options	Weighted-Average Exercise Price (Canadian dollars)	Number of Stock Options	Weighted-Average Exercise Price (Canadian dollars)	Number of Stock Options	Weighted-Average Exercise Price (Canadian dollars)
Outstanding, beginning of period	3,193,677	$ 4.58	4,699,278	$ 4.26	5,015,556	$ 4.21
Exercised	(2,284,034)	5.01	(1,505,601)	3.59	(316,278)	3.49
Outstanding and exercisable, end of period	909,643	$ 3.49	3,193,677	$ 4.58	4,699,278	$ 4.26

The intrinsic value of stock options exercised under the Rollover Plan in Canadian dollars during the years ended May 31, 2015, 2014 and 2013 was $37,811, $13,027 and $2,433, respectively.

The following table summarizes information about stock options outstanding and exercisable under the Rollover Plan as of May 31, 2015:

	Options Outstanding and Exercisable			
Exercise Price (Canadian dollars)	Number of Underlying Shares	Weighted Average Exercise Price per Share (Canadian dollars)	Weighted-Average Remaining Contractual Years	Total Intrinsic Value (Canadian dollars)
$3.49	909,643	$ 3.49	3.0	$ 19,084

As of May 31, 2015, there is no unrecognized cost for the Rollover Plan.

2011 Plan

The 2011 Plan was adopted by the Board of Directors on March 10, 2011. The maximum aggregate number of common shares which may be subject to options under the 2011 Plan and any other proposed or established share compensation arrangement of the Company (other than the Rollover Plan) is 12% of the Company's common shares outstanding from time to time. On this basis, at May 31, 2015, the maximum number of common shares available for future issuance under the 2011 Plan was 1,169,541.
The Company grants options under the 2011 Plan to employees and nonemployees. Employee service-based awards have a contractual life of 10 years and typically vest over a period of 4 years from grant-date. Nonemployee service-based awards have a contractual life of 10 years and typically vest over a period of up to 6 years.

The assumptions used for options granted to acquire TSX listed common shares and the fair value at the date of grant is noted in the following table:

	Year ended May 31,		
	2015	2014	2013
Weighted average expected term (in years)	6.11	6.25	6.25
Weighted average expected volatility	34.44%	37.12%	36.53%
Weighted average risk-free interest rate	1.54%	1.75%	1.44%
Expected dividend yield	—%	—%	—%
Weighted average fair value per option granted (Canadian dollars)	$6.58	$5.60	$3.81

The assumptions used for options granted to acquire NYSE listed common shares and the fair value at the date of grant is noted in the following table:

	Year ended May 31,
	2015
Weighted average expected term (in years)	6.25
Weighted average expected volatility	33.24%
Weighted average risk-free interest rate	1.51%
Expected dividend yield	—%
Weighted average fair value per option granted	$6.11

Information concerning stock option activity under the 2011 Plan for options to acquire TSX listed common shares is summarized as follows:

	Year ended May 31,					
	2015		2014		2013	
	Number of Stock Options	Weighted-Average Exercise Price (Canadian dollars)	Number of Stock Options	Weighted-Average Exercise Price (Canadian dollars)	Number of Stock Options	Weighted-Average Exercise Price (Canadian dollars)
Outstanding, beginning of period	4,234,872	$ 11.37	3,065,997	$ 9.92	998,497	$ 7.36
Granted	138,574	18.20	1,374,500	14.20	2,340,000	10.88
Exercised	(426,350)	9.80	(141,625)	7.51	(50,000)	7.5
Canceled	—	—	—	—	(17,000)	10.54
Forfeited	(15,375)	11.20	(64,000)	11.08	(205,500)	8.89
Outstanding, end of period	3,931,721	$ 11.78	4,234,872	$ 11.37	3,065,997	$ 9.92
Options vested and expected to vest, end of period	3,896,443	$ 11.77	—	$ —	—	$ —
Options exercisable, end of period	1,688,754	$ 10.48	1,021,250	$ 9.25	418,750	$ 7.43

The intrinsic value of stock options exercised under the 2011 Plan in Canadian dollars during the years ended May 31, 2015, 2014 and 2013 was $6,094, $615 and $194, respectively.

Information concerning stock option activity under the 2011 Plan for options to acquire NYSE listed common shares is summarized as follows:

	Year ended May 31,	
	2015	
	Number of Stock Options	Weighted-Average Exercise Price
Outstanding, beginning of period	—	$ —
Granted	267,000	18.22
Forfeited	(2,000)	15.99
Outstanding, end of period	265,000	$ 18.24
Options vested and expected to vest, end of period	259,040	$ 18.25
Options exercisable, end of period	—	$ —

The following table summarizes information about stock options outstanding and exercisable under the 2011 Plan for stock options to acquire TSX listed common shares as of May 31, 2015:

	Options Outstanding				Options Exercisable			
Exercise Price (Canadian dollars)	Number of Underlying Shares	Weighted Average Exercise Price per Share (Canadian dollars)	Weighted-Average Remaining Contractual Years	Total Intrinsic Value (Canadian dollars)	Number of Underlying Shares	Weighted Average Exercise Price per Share (Canadian dollars)	Weighted-Average Remaining Contractual Years	Total Intrinsic Value (Canadian dollars)
$5.36 - $10.78	1,515,147	$ 9.10	6.77	—	945,150	$ 8.60	6.49	—
$10.79 - $13.56	1,168,000	11.86	7.82	—	472,875	11.81	7.77	—
$13.57 - $23.05	1,248,574	14.98	8.82	—	270,729	14.71	8.78	—
Total	3,931,721	$ 11.78	7.73	$ 49,875	1,688,754	$ 10.48	7.21	$ 23,623

The following table summarizes information about stock options outstanding and exercisable under the 2011 Plan for stock options to acquire NYSE listed common shares as of May 31, 2015:

	Options Outstanding				Options Exercisable			
Exercise Price	Number of Underlying Shares	Weighted Average Exercise Price per Share	Weighted-Average Remaining Contractual Years	Total Intrinsic Value	Number of Underlying Shares	Weighted Average Exercise Price per Share	Weighted-Average Remaining Contractual Years	Total Intrinsic Value
$15.99 - $20.45	265,000	$18.24	9.64	$ 482	—	—	—	—

The Company recognized share-based compensation expense for the 2011 Plan as follows:

	Year ended May 31,		
	2015	2014	2013
Share-based compensation for employee awards	$ 5,273	$ 4,092	$ 3,514
Share-based compensation for non-employee awards	367	307	541
Total share-based compensation	$ 5,640	$ 4,399	$ 4,055
Total related tax benefit	$ 1,117	$ 932	$ 550

Share-based payments expense recognized in the consolidated statements of income is included in selling, general and administrative expense, and was credited to additional paid-in capital. Estimated forfeiture rates are incorporated into the measurement of share-based payment expense. The unrecognized compensation expense associated with stock options outstanding under the 2011 Plan at May 31, 2015 was $5,164, which is expected to be recognized over a weighted average period of 2.0 years.

The weighted average exercise price of all outstanding options under the Rollover Plan and the 2011 Plan is $8.73 U.S. dollars. The weighted average remaining term of all outstanding options under the Rollover Plan and the 2011 Plan is 7.0 years.

Deferred Share Unit Plan ("DSU Plan")

On September 18, 2012, the Board adopted a Deferred Share Unit Plan (the "Plan") for the directors of the Company. The purpose of the Plan is to promote a greater alignment of interests between certain eligible directors ("Eligible Directors") and the shareholders of the Company. Under the terms of the Plan, each Eligible Director may elect to receive director fees (i.e. retainers, meeting fees) and other cash compensation payable for services as an independent contractor paid entirely in cash or up to 100% in deferred share units ("DSUs"). If the Eligible Director elects to receive any portion of the director fees and other compensation in deferred share units, the amount of the compensation is fixed at the election. The number of shares awarded to satisfy that liability is variable based on the value of the shares at the time of settlement of the liability. The DSUs are therefore classified as liability awards. If an Eligible Director ceases, for any reason except as a result of death, to be a director of the Company, DSUs

held by such Eligible Director may be redeemed at the election of such Eligible Director on or prior to December 15 in the first calendar year commencing after the date that the Eligible Director retires from or otherwise ceases to hold such positions. In the event of death of an Eligible Director, the Company will redeem all DSUs held by the Eligible Director within 90 days of the death.

The Company reserved 100,000 Common Shares for issuance under the Plan. Of the 100,000 DSUs authorized for issuance under the plan, 40,883 were available for issuance as of May 31, 2015. During the year ended May 31, 2015, 30,706 DSUs were issued and a total amount of $470 was credited to accrued liabilities. As of May 31, 2015, 59,117 DSUs are outstanding with related accrued liabilities amounting to $706. For the years ended May 31, 2015, 2014 and 2013, the Company recognized $470, $226 and $98 in share-based payment expense in its consolidated statements of income. Share based payment expense is included in selling, general and administrative expenses.

15. EARNINGS PER SHARE

The following is a reconciliation from basic earnings per common share to diluted earnings per common share:

	Year Ended May 31,		
	2015	2014	2013
Net income	$ 3,282	$ 19,987	$ 25,224
Weighted average common shares outstanding, assuming conversion of proportionate voting shares - Basic	44,028,076	35,476,607	34,107,334
Assumed conversion of dilutive stock options and awards	2,326,581	1,998,671	2,320,685
Diluted weighted average common shares outstanding	46,354,657	37,475,278	36,428,019
Basic earnings per common share	$ 0.07	$ 0.56	$ 0.74
Diluted earnings per common share	$ 0.07	$ 0.53	$ 0.69
Anti-dilutive stock options and awards excluded from diluted earnings per share calculation	32,824	86,105	745,717

16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) consists of net income and specified components of other comprehensive income (loss) ("OCI"). OCI consists of changes in assets and liabilities that are not included in net income under U.S. GAAP but are instead deferred and accumulated within a separate component of stockholders' equity in the consolidated balance sheets. Comprehensive income (loss) is presented in the consolidated statements of comprehensive income (loss).

The changes in accumulated other comprehensive income (loss), net of taxes, are as follows:

	Foreign currency translation	Defined benefit pension plans	Total
Balance as of May 31, 2013	$ (6,772)	$ (724)	$ (7,496)
Other comprehensive loss before reclassifications	(6,993)	(220)	(7,213)
Amounts reclassified from accumulated other comprehensive loss to net income	—	10	10
Balance as of May 31, 2014	(13,765)	(934)	(14,699)
Other comprehensive loss before reclassifications	(8,191)	(108)	(8,299)
Amounts reclassified from accumulated other comprehensive loss to net income	—	20	20
Balance as of May 31, 2015	$ (21,956)	$ (1,022)	$ (22,978)

17. SEGMENT INFORMATION

The Company has two reportable operating segments, Hockey and Baseball/Softball. The remaining operating segments do not meet the criteria for a reportable segment and are included in Other Sports. The Hockey segment includes the Bauer and Mission

brands. The Baseball/Softball segment includes the Easton and Combat brands. Other Sports includes the Lacrosse and Soccer operating segments, which includes the Maverik and Cascade brands for Lacrosse, and the Inaria brand for Soccer.

These operating segments were determined based on the management structure established, as a result of the Easton Baseball/Softball acquisition, in the fourth quarter of the year ended May 31, 2014 and the financial information, among other factors, reviewed by the Chief Operating Decision Maker ("CODM") to assess segment performance. Operating segment profit is evaluated using EBITDA adjusted for items excluded by the CODM, which is not a measure defined by U.S. GAAP, and is reviewed by the CODM. Certain PSG functional platform costs are directly allocated to each operating segment based on usage or other relevant operational metrics. PSG's functional platform costs consist of expenses incurred by centrally-managed functions, including global information systems, finance and legal, distribution and logistics, sourcing and manufacturing, and other miscellaneous costs.

PSG corporate expenses, currency related gains (losses), acquisition related expenses and other costs are not controlled by the management at each operating segment and therefore are excluded from segment EBITDA. PSG corporate expenses consist of executive compensation and administration costs, public company costs, certain tax credits and other miscellaneous costs. Currency related gains (losses) consists of foreign exchange gains (losses) and the unrealized gain (loss) on derivative instruments. The realized gain (loss) on derivative instruments is included in the Hockey operating segment because it currently relates specifically to Hockey cost of goods sold. Acquisition related expenses consist of charges to cost of goods sold resulting from the fair market value adjustment to inventory, integration costs, costs related to reviewing corporate opportunities, and transaction costs. Other costs consist of share-based payment expenses and items that the CODM excludes from segment EBITDA, for example, items that are infrequent in nature such as costs related to share offerings.

Segment revenue information is summarized as follows:

	Year ended May 31,		
	2015	2014	2013
Hockey	$ 418,397	$ 386,220	$ 370,906
Baseball/Softball	199,346	24,461	93
Other Sports	36,948	35,498	28,594
Total revenues	$ 654,691	$ 446,179	$ 399,593

Segment EBITDA information is summarized as follows:

	Year ended May 31,		
	2015	2014	2013
Hockey	$ 66,588	$ 67,249	$ 66,140
Baseball/Softball	35,882	526	(556)
Other Sports	3,484	3,444	2,501
Total segment EBITDA	$ 105,954	$ 71,219	$ 68,085

The reconciliation of segment EBITDA to income before income taxes is summarized as follows:

	Year ended May 31,		
	2015	2014	2013
Segment EBITDA	$ 105,954	$ 71,219	$ 68,085
Corporate expenses	(7,640)	(2,422)	(5,299)
Acquisition related expenses	(17,989)	(15,551)	(7,539)
Depreciation and amortization	(21,312)	(11,102)	(8,359)
Interest expense, net	(19,838)	(9,689)	(8,695)
Currency related gains (losses)	(21,793)	2,806	1,484
Other[1]	(10,730)	(8,993)	(5,812)
Income before income taxes	$ 6,652	$ 26,268	$ 33,865

(1) Other consists of share-based payments expense, costs related to share offerings, costs related to the lacrosse helmet decertification, the impact of Canadian tariff reduction and other miscellaneous expenses.

Segment interest expense information is summarized as follows:

	Year ended May 31,		
	2015	2014	2013
Hockey	$ 9,807	$ 7,483	$ 7,438
Baseball/Softball	3,859	787	—
Other Sports	981	946	582
Unallocated interest expense	5,191	473	675
Total interest expense, net	$ 19,838	$ 9,689	$ 8,695

Segment depreciation and amortization expense information is summarized as follows:

	Year ended May 31,		
	2015	2014	2013
Hockey	$ 4,472	$ 5,120	$ 5,019
Baseball/Softball	11,973	1,734	—
Other Sports	4,228	3,849	2,720
Corporate depreciation and amortization expense	639	399	620
Total depreciation and amortization expense	$ 21,312	$ 11,102	$ 8,359

Segment assets, which includes accounts receivable, inventory and property, plant and equipment, is summarized as follows:

	May 31, 2015	May 31, 2014
Hockey	$ 283,897	$ 235,761
Baseball/Softball	97,472	121,104
Other Sports	32,309	29,278
Corporate assets	7,294	6,055
Total assets	$ 420,972	$ 392,198

The Company markets its products in the United States, Canada and internationally, with its principal markets being the United States and Canada. The tables below contain information about the geographical areas in which the Company operates. In presenting information on the basis of geography, revenues are based on the geographical location of customers and non-current assets are based on the geographical location of the assets.

The following represents the Company's revenue information based on geographical areas:

	Year ended May 31,		
	2015	2014	2013
Canada	$ 157,036	$ 145,274	$ 136,643
United States	383,310	190,956	158,821
Rest of World	114,345	109,949	104,129
Total Revenues	$ 654,691	$ 446,179	$ 399,593

Non-current assets presented consists of property, plant and equipment, other non-current assets, goodwill and intangible assets:

	May 31, 2015	May 31, 2014
Canada	$ 56,267	$ 52,989
United States	375,510	371,195
Rest of World	294	593
Total non-current assets	$ 432,071	$ 424,777

18. DERIVATIVES & RISK MANAGEMENT

The Company is exposed to global market risks, including the effect of changes in foreign currency exchange rates, and uses derivatives to attempt to manage financial exposures that occur during the normal course of business. From time to time, the Company may elect to enter into foreign currency forward contracts to reduce the risk associated with foreign currency exchange rate fluctuations, and recognizes such instruments as economic hedges. Foreign currency exchange contracts are used only to meet the Company's objectives of minimizing variability in the Company's operating results arising from foreign exchange rate movements. The Company does not enter into foreign currency exchange contracts for speculative purposes. The use of derivatives exposes the Company to counterparty credit risk for nonperformance. The Company manages its exposure to counterparty credit risk by purchasing contracts with major financial institutions with investment grade credit ratings.

The Company accounts for its foreign currency forward contracts in accordance with ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). ASC 815 requires the recognition of all derivatives as either assets or liabilities on the consolidated balance sheets at fair value. During the years ended May 31, 2015, 2014 and 2013, the Company did not designate any foreign currency exchange contracts as derivatives that qualify for hedge accounting under ASC 815 and therefore recognizes the changes in the fair value of these derivatives through profit or loss at each reporting period.

At May 31, 2015 and 2014, the notional amounts of the Company's foreign currency forward contracts used to mitigate the exposures discussed above were approximately $78,000 and $52,000, respectively. The Company estimates the fair values of foreign currency forward contracts using inputs that are based on readily available market data using pricing models based on current market rates, and records all derivatives on the consolidated balance sheets at fair value with changes in fair value recorded in the consolidated statements of income. The foreign currency forward contracts are classified under Level 2 of the fair value hierarchy (see Note 19).

At May 31, 2015 and 2014, the Company recorded a liability for a variable cash settlement in connection with a stock option award. The Company recognized the issuance of the options as an equity-classified award. The amount of the variable cash settlement obligation is dependent upon the total intrinsic value of the options granted, at the fourth anniversary of the original grant date. The fair value of the cash portion of the award is determined using inputs based on readily available market data. The award is recognized on the consolidated balance sheets and changes in the fair value of the award are recognized in the consolidated statements of income.

The following table summarizes the fair value of derivative instruments by contract type as well as the location of the asset and/or liability on the consolidated balance sheets at May 31, 2015 and 2014:

	Balance Sheet Location	May 31, 2015	May 31, 2014
Assets:			
Foreign currency forward contracts	Prepaid and other current assets	$ 697	$ 3,193
Foreign currency forward contracts	Other non-current assets	54	—
Liabilities:			
Foreign currency forward contracts	Accrued liabilities	141	—
Variable cash settlement	Other non-current liabilities	20	307

The following table summarizes the location of gains and losses on the consolidated statements of income that were recognized during the years ended May 31, 2015, 2014 and 2013, respectively, in addition to the derivative contract type:

Derivatives not designated as hedging instruments	Location of (gain) loss recognized in income on derivative instruments	Year Ended May 31, 2015	2014	2013
Foreign currency forward contracts	Realized gain on derivatives	$ (6,858)	$ (6,069)	$ (300)
Foreign currency forward contracts	Unrealized (gain) loss on derivatives	2,213	2,023	(942)
Variable cash settlement	Share-based payments expense	(279)	1	324

19. FAIR VALUE MEASURES

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of May 31, 2015 and 2014 and indicate the level of the fair value hierarchy utilized by the Company to determine such fair value:

	Fair Value Measurements as of May 31, 2015 Using: Level 1	Level 2	Level 3
Assets:			
Foreign currency forward contracts	$ —	$ 751	$ —
Liabilities:			
Foreign currency forward contracts	$ —	$ 141	$ —
Variable cash settlement	$ —	$ 20	$ —

	Fair Value Measurements as of May 31, 2014 Using: Level 1	Level 2	Level 3
Assets:			
Foreign currency forward contracts	$ —	$ 3,193	$ —
Liabilities:			
Variable cash settlement	$ —	$ 307	$ —

As of May 31, 2015 and 2014, the Company's foreign currency forward contracts were measured using a generally accepted valuation technique which is the discounted value of the difference between the contract's value at maturity based on the foreign exchange rate set out in the contract and the contract's value at maturity based on the foreign exchange rate that the counterparty would use if it were to renegotiate the same contract at today's date under the same conditions. The Company's variable cash settlement, discussed in Note 18, was valued using a Monte Carlo simulation based on the value of the Company's underlying common share price, a Level 2 input.

20. RELATED PARTY TRANSACTIONS

The Kohlberg Funds were a related party of the Company through the second quarter of the year ended May 31, 2015. As a result of selling Common Shares of the Company through secondary offerings and in the open market, the Kohlberg Funds are no longer a related party.

The Kohlberg Funds include Kohlberg TE Investors VI, LP, Kohlberg Investors VI, LP, Kohlberg Partners VI, LP, and KOCO Investors VI, LP, each of which is managed by Kohlberg & Co L.L.C. On June 29, 2012, in conjunction with the acquisition of Cascade and related share offering, the Company issued 642,000 Common Shares as part of a concurrent private placement to the Kohlberg Funds resulting in gross and net proceeds of $4,888 ($5,008 Canadian dollars).

On September 26, 2012, the Kohlberg Funds entered into an agreement for a secondary offering, on a bought deal basis, of 3,600,000 Common Shares of the Company at an offering price of $9.90 Canadian dollars per Common Share. In addition, an over-allotment option was granted, exercisable for a period of 30 days from closing, to purchase up to an additional 540,000 Common Shares. On October 17, 2012, the Kohlberg Funds completed the sale of an aggregate of 4,140,000 Common Shares at a price of $9.90

Canadian dollars per Common Share, including the exercise in full of the over-allotment option. The Company did not receive any proceeds from the secondary offering. The Common Shares sold under the terms of the offering had previously been held by the Kohlberg Funds in the form of Proportionate Voting Shares which were converted to Common Shares on the basis of one Proportionate Voting Share for 1,000 Common Shares to facilitate the secondary offering. In connection with the secondary offering, the Company incurred $461 in fees in the year ended May 31, 2013, which was recognized in selling, general and administrative expenses.

On January 17, 2013, the Kohlberg Funds entered into an agreement for a secondary offering, on a bought deal basis, of 3,000,000 Common Shares of the Company at an offering price of $11.60 Canadian dollars per Common Share. In addition, an over-allotment option was granted, exercisable for a period of 30 days from closing, to purchase up to an additional 450,000 Common Shares. On February 6, 2013, the Kohlberg Funds completed the sale of an aggregate of 3,450,000 Common Shares at a price of $11.60 Canadian dollars per Common Share, including the exercise in full of the over-allotment option. The Company did not receive any proceeds from the secondary offering. The Common Shares sold under the terms of the offering had previously been held by the Kohlberg Funds in the form of Proportionate Voting Shares which were converted to Common Shares on the basis of one Proportionate Voting Share for 1,000 Common Shares to facilitate the secondary offering. In connection with the secondary offering, the Company incurred $365 in fees which was recognized in selling, general and administrative expenses in the year ended May 31, 2013.

On October 17, 2013, the Kohlberg Funds entered into an agreement for a secondary offering, on a bought deal basis, of 5,500,000 Common Shares of the Company at an offering price of $12.15 Canadian dollars per Common Share. In addition, an over-allotment option was granted, exercisable for a period of 30 days from closing, to purchase up to an additional 825,000 Common Shares. On November 1, 2013, the Kohlberg Funds completed the sale of an aggregate of 6,325,000 Common Shares at a price of $12.15 Canadian dollars per Common Share, including the exercise in full of the over-allotment option. The Company did not receive any proceeds from the secondary offering but was responsible for all distribution expenses (excluding any underwriters' fees) pursuant to its obligations under a registration rights agreement with the Kohlberg Funds. The Common Shares sold under the terms of the offering had previously been held by the Kohlberg Funds in the form of Proportionate Voting Shares which were converted to Common Shares on the basis of one Proportionate Voting Share for 1,000 Common Shares to facilitate the secondary offering. In connection with the secondary offering, the Company incurred $524 in fees which was recognized in selling, general and administrative expenses in the year ended May 31, 2014.

21. QUARTERLY FINANCIAL DATA (UNAUDITED)

Year ended May 31, 2015	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 197,135	$ 172,254	$ 137,746	$ 147,556
Gross profit	63,936	55,933	42,257	44,261
Net income (loss)	10,747	1,031	(12,464)	3,968
Earnings per share - basic	$ 0.26	$ 0.02	$ (0.28)	$ 0.09
Earnings per share - diluted	$ 0.24	$ 0.02	$ (0.28)	$ 0.08

Year ended May 31, 2014	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 153,986	$ 117,094	$ 62,197	$ 112,902
Gross profit	59,739	37,958	18,848	37,791
Net income (loss)	21,749	3,966	(5,205)	(523)
Earnings per share - basic	$ 0.62	$ 0.11	$ (0.15)	$ (0.01)
Earnings per share - diluted	$ 0.59	$ 0.11	$ (0.15)	$ (0.01)

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

In May 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) released COSO 2013, an update of its Internal Control - Integrated Framework (1992). The COSO 2013 Internal Control-Integrated Framework formalizes the principles embedded in the original COSO 1992, incorporates business and operating environment changes over the past two decades, and improves the original 1992 framework's ease of use and application. We completed our transition to COSO 2013 in the fourth quarter of Fiscal 2015. The transition to COSO 2013 did not have a significant impact on our underlying compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002, including internal control over financial reporting and disclosure controls and procedures.

Disclosure Controls and Procedures

Management, under the supervision of and with the participation of the Company's CEO and CFO, our principal executive officer and principal financial officer, respectively, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15(d)-(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of May 31, 2015. Based on the evaluation, the CEO and CFO concluded that such disclosure controls and procedures as of May 31, 2015 are effective.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during its last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Management, under the supervision of and with the participation of the Company's CEO and CFO, evaluated and concluded, as of May 31, 2015, that the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) were effective. This evaluation included review of the documentation of controls, evaluation of the design and testing the operating effectiveness of controls, and a conclusion about this evaluation. Based on their evaluation, the CEO and the CFO have concluded that, as at May 31, 2015, the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Such internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets; (ii) provide reasonable assurance (A) that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors; and (B) regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

In making this evaluation, management used the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013 Framework). This evaluation also took into consideration the Company's Corporate Disclosure Policy and the functioning of its Disclosure Committee.

Because we are an emerging growth company under the JOBS Act, this annual report on Form 10-K does not include an attestation report of our independent registered public accounting firm.

Item 9B. OTHER INFORMATION

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to this item is included in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders under the captions "Board of Directors and Corporate Governance - Director Independence and Qualifications" and "Executive Officers" and is incorporated herein by reference.

Information on the beneficial ownership reporting for the Company's directors and executive officers is included in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

Information on the Company's Audit Committee and "audit committee financial expert" is contained in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders under the caption "Board of Directors and Corporate Governance - Audit Committee" and is incorporated herein by reference.

The Board has adopted a written code of ethics entitled, "Code of Business Conduct and Ethics" (the "Code of Conduct"), that applies to all of the officers, directors, employees, consultants and contractors of the Company, including the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. The Code of Conduct is posted on the Company's website at *www.performancesportsgroup.com*. If there is an amendment to the Code of Conduct, or if a waiver of the Code of Conduct is granted to any of Company's principal executive officer, principal financial officer, principal accounting officer or controller, the Company intends to disclose any such amendment or waiver by posting such information on the Company's website. Unless and to the extent specifically referred to herein, the information on the Company's website shall not be deemed to be incorporated by reference in this annual report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

Information with respect to this item is included in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

Information with respect to this item is included in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information with respect to this item is included in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to this item is included in the Company's Proxy Statement for the 2015 annual and special meeting of shareholders and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this annual report on Form 10-K:

1. Financial Statements. The financial statements as set forth under Item 8 of this annual report on Form 10-K are incorporated herein.

2. Financial Statement Schedule:

Schedule II - Valuation and Qualifying Accounts

(In thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Other	Balance at End of Period
Allowance for doubtful accounts					
For the year ended May 31, 2013	$ 1,056	$ 143	$ (476)	$ 3	$ 726
For the year ended May 31, 2014	726	947	(164)	(9)	1,500
For the year ended May 31, 2015	1,500	1,141	(541)	(62)	2,038
Allowance for obsolete inventory:					
For the year ended May 31, 2013	$ 1,192	$ 1,657	$ (92)	$ (3)	$ 2,754
For the year ended May 31, 2014	2,754	2,076	(980)	(53)	3,797
For the year ended May 31, 2015	3,797	1,714	(641)	(113)	4,757

3. Exhibits:

Exhibit Number	Description
3.1	Amended and Restated Articles of Performance Sports Group Ltd. (the “Registrant”).
4.1	Specimen Common Stock Certificate.
10.1*	Term Loan Credit Agreement, dated as of April 15, 2014, among the Registrant, as borrower, Bank of America, N.A., as administrative agent and collateral agent, Bank of America, N.A., J.P. Morgan Securities LLC, RBC Capital Markets and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, Bank of America, N.A., J.P. Morgan Securities LLC, and RBC Capital Markets, as bookrunners, JP Morgan Chase Bank, N.A. and RBC Capital Markets, as syndication agents, and the lenders party thereto from time to time.
10.2*	ABL Credit Agreement, dated as of April 15, 2014, among Bauer Hockey Corp. and its Canadian subsidiaries from time to time party thereto, as Canadian borrowers, Bauer Hockey, Inc. and its U.S. subsidiaries from time to time party thereto, as U.S. borrowers, the Registrant as parent, Bank of America, N.A., as administrative agent and collateral agent, JP Morgan Chase Bank, N.A. and an affiliate of RBC Dominion Securities Inc., as syndication agents, Bank of America, N.A., J.P. Morgan Securities LLC, RBC Capital Markets and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, Bank of America, N.A., J.P. Morgan Securities LLC, and RBC Capital Markets, as bookrunners, and the various lenders party thereto.
10.3	Amendment No. 1, dated as of July 14, 2015, to ABL Credit Agreement, dated as of April 15, 2014, among Bauer Hockey Corp. and its Canadian subsidiaries from time to time party thereto, as Canadian borrowers, Bauer Hockey, Inc. and its U.S. subsidiaries from time to time party thereto, as U.S. borrowers, the Registrant as parent, Bank of America, N.A., as administrative agent and collateral agent, JP Morgan Chase Bank, N.A. and an affiliate of RBC Dominion Securities Inc., as syndication agents, Bank of America, N.A., J.P. Morgan Securities LLC, RBC Capital Markets and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, Bank of America, N.A., J.P. Morgan Securities LLC, and RBC Capital Markets, as bookrunners, and the various lenders party thereto.
10.4	Trademark License Agreement (VAPOR®), dated April 16, 2008, among NIKE, Inc., NIKE International Limited, and NIKE Bauer Hockey Corp.
10.5	Second Amended and Restated 2011 Stock Option Plan, dated April 9, 2013, including the form of Notice of Grant attached as Schedule A thereto. Incorporated herein by reference to Exhibit 4.2 to the Registrant’s Registration Statement on Form S-8, dated August 28, 2014.
10.6	Amended and Restated Directors' Deferred Share Unit Plan, dated October 14, 2014.
10.7	Form of irrevocable election for participation in the Directors' Deferred Share Unit Plan.
10.8	Second Amended and Restated Rollover Stock Option Plan, dated April 9, 2013, including the form of Notice of Substitution attached as Schedule A thereto.
10.9	Employment Agreement between Bauer Hockey, Inc. and Angela Bass, effective as of January 9, 2012.

10.10	Amended and Restated Employment Agreement between Bauer Hockey, Inc. and Kevin Davis, effective as of March 10, 2011.
10.11	Employment Agreement between Bauer Hockey, Inc. and Paul Dachsteiner, effective as of March 9, 2011.
10.12	Amended and Restated Employment Agreement between Bauer Hockey, Inc. and Paul Gibson, effective as of March 10, 2011.
10.13	Employment Agreement between Easton Baseball/Softball Inc. and Todd Harman, effective as of April 6, 2015.
10.14	Amended and Restated Employment Agreement between Bauer Hockey, Inc. and Troy Mohns, effective as of March 10, 2011.
10.15	Amended and Restated Employment Agreement between Bauer Hockey, Inc. and Amir Rosenthal, effective as of March 10, 2011.
10.16	Employment Agreement between Bauer Hockey, Inc. and Richard Wuerthele, effective as of March 1, 2014.
10.17	Employment Agreement between Bauer Hockey, Inc. and Michael Wall, effective as of March 10, 2011.
14.1	Code of Business Conduct and Ethics.
21.1	Subsidiaries of the Registrant.
23.1	Consent of KPMG LLP.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2015.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2015.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2015.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2015.
99.1	Charter of the Audit Committee.

* Confidential treatment has been requested with respect to portions of this exhibit, and such confidential portions have been deleted and filed separately with the SEC pursuant to Rule 24b-2 of the Exchange Act.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PERFORMANCE SPORTS GROUP LTD.
(Registrant)

Dated: August 26, 2015

By: /s/ Kevin Davis
Kevin Davis
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Dated: August 26, 2015

/s/ Kevin Davis
Kevin Davis
Chief Executive Officer and Director

Dated: August 26, 2015

/s/ Amir Rosenthal
Amir Rosenthal
President, PSG Brands, and Chief Financial Officer

Dated: August 26, 2015

/s/ Bernard McDonell
Bernard McDonell
Director and Chairman

Dated: August 26, 2015

/s/ Karyn O. Barsa
Karyn O. Barsa
Director

Dated: August 26, 2015

/s/ Joan Dea
Joan Dea
Director

Dated: August 26, 2015

/s/ C. Michael Jacobi
C. Michael Jacobi
Director

Dated: August 26, 2015

/s/ Paul A. Lavoie
Paul A. Lavoie
Director

Dated: August 26, 2015

/s/ Larry Lucchino
Larry Lucchino
Director

Dated: August 26, 2015

/s/ Matthew M. Mannelly
Matthew M. Mannelly
Director

Dated: August 26, 2015

/s/ Bob Nicholson
Bob Nicholson
Director

EXHIBIT INDEX

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10.2*	ABL Credit Agreement, dated as of April 15, 2014, among Bauer Hockey Corp. and its Canadian subsidiaries from time to time party thereto, as Canadian borrowers, Bauer Hockey, Inc. and its U.S. subsidiaries from time to time party thereto, as U.S. borrowers, the Registrant as parent, Bank of America, N.A., as administrative agent and collateral agent, JP Morgan Chase Bank, N.A. and an affiliate of RBC Dominion Securities Inc., as syndication agents, Bank of America, N.A., J.P. Morgan Securities LLC, RBC Capital Markets and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, Bank of America, N.A., J.P. Morgan Securities LLC, and RBC Capital Markets, as bookrunners, and the various lenders party thereto.
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Exhibit 3.1

Incorporation Number BC0896936

AMENDED AND RESTATED ARTICLES

OF

PERFORMANCE SPORTS GROUP LTD.

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

TABLE OF CONTENTS

Incorporation Number BC0896936

AMENDED AND RESTATED ARTICLES

OF

PERFORMANCE SPORTS GROUP LTD.

(the "Company")

PART 1

INTERPRETATION

1.1 Definitions

In these Amended and Restated Articles (the "**Articles**"), unless the context otherwise requires:

(1) "**appropriate person**" has the meaning assigned in the *Securities Transfer Act*;

(2) "**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;

(3) "***Business Corporations Act***" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(4) "***Interpretation Act***" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(5) "**legal personal representative**" means the personal or other legal representative of a shareholder;

(6) "**protected purchaser**" has the meaning assigned in the *Securities Transfer Act*;

(7) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

(8) "**seal**" means the seal of the Company, if any;

(9) "***Securities Act***" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(10) "**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as

amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; "**Canadian securities legislation**" means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and "**U.S. securities legislation**" means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

(11) "***Securities Transfer Act***" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

(1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;

(2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and

(3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3
ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money;
and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4
SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

PART 5
SHARE TRANSFERS

5.1 Registering Transfers

The Company must register a transfer of a share of the Company if either:

(1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement

of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

(c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or

(2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.4 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

(1) in the name of the person named as transferee in that instrument of transfer;
or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder

or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.7 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

PART 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

PART 7
ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the*Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

PART 8
BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

PART 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2, Part 26 and the *Business Corporations Act*, the Company may by directors' resolution, unless an alteration to the Company's Notice of Articles would be required, in which case by ordinary resolution:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the

Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

(a) decrease the par value of those shares; or

(b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2 Special Rights or Restrictions

Subject to Part 26 and the *Business Corporations Act*, the Company may by ordinary resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

The Company may by directors' resolution authorize an alteration to its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the*Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9 Notice of Dissent Rights

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.10 Advance Notice Provisions

(1) ***Nomination of Directors***

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the board may only be made:

(a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* or a requisition of shareholders made in accordance with the provisions of the *Business Corporations Act*; or

(c) by any person entitled to vote at such meeting (a "Nominating Shareholder"), who:

(i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and

(ii) has given timely notice in proper written form as set forth in this Article 10.10.

(2) *Exclusive Means*

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) *Timely Notice*

In order for a Nominating Shareholder to provide timely notice (a "Timely Notice") of its intention to nominate a person for election as a director (a "Proposed Nominee"), the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive offices of the Company:

(a) in the case of an annual meeting of shareholders, not later than 5:00 p.m. (Toronto time) on the 30th day and not earlier than 9:00 a.m. (Toronto time) on the 65th day before the date of the meeting; provided, however, if the first public announcement made by the Company with respect to the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by the Company; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Company.

(4) ***Time Period Determination***

The time periods for giving of a Timely Notice shall in all cases be determined based on the original scheduled date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice as described in this Article 10.10.

(5) ***Proper Form of Notice***

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Article 10.10 and:

(a) disclose or include, as applicable, as to each Proposed Nominee:

(i) their name, age, business and residential address and principal occupation and/or employment for the past five years;

(ii) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Company as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, including the number or principal amount and the date(s) on which such securities were acquired;

(iii) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;

(iv) any other information relating to such Proposed Nominee that would be required to be included in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and

(v) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the Toronto Stock Exchange; and

(b) disclose or include, as applicable, as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:

(i) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Company, including the number or principal amount and the date(s) on which such securities were acquired;

(ii) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly

or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;

(iii) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;

(iv) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination (and in the case of a beneficial owner, provided such beneficial owner has provided the Company with evidence of such ownership acceptable to the Company in its sole discretion acting reasonably);

(v) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and

(vi) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or by applicable securities law.

(6) *Additional Information*

The Company may require a Proposed Nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such Proposed Nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Proposed Nominee. The Nominating Shareholder's notice must be accompanied by a written consent of each Proposed Nominee to being named as a nominee and to serve as a director if elected.

(7) *Ineligibility*

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 10.10; provided, however, that nothing in this Article 10.10 shall be deemed to preclude discussion by a Shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act.*

(8) *Currency of Nominee Information*

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects.

(9) *Delivery of Information*

Any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be in writing, given by personal delivery, courier or facsimile (but not by email) to the corporate secretary at the address of the principal executive offices of the Company and shall be deemed to have been given and made:

(a) if sent by personal delivery or courier, on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Toronto time) and otherwise on the next business day; or

(b) if sent by facsimile (provided that receipt of confirmation of such transmission has been received), on the business day following the date of confirmation of transmission by the originating facsimile.

(10) ***Defective Nomination Determination***

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.

(11) ***Failure to Appear***

Despite any other provision of this Article 10.10, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(12) ***Shareholder Communication Content***

Nothing in this Article 10.10 shall obligate the Company or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Company or board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.

(13) ***Waiver***

The board may, in its sole discretion, waive any requirement in this Article 10.10.

(14) ***Definitions***

For the purposes of this Article 10.10, "public announcement" means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*,

(1) for so long as any Proportionate Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided by a poll;

(2) if no Proportionate Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter is entitled, in respect of each share entitled to be voted on the matter and held by that shareholder, to that number of votes provided by the Articles or the Business Corporations Act and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must be received:

(a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or

(4) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): _____

_____
Signed [month, day, year]

_____
[Signature of shareholder]

_____
[Name of shareholder - printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

(1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.16 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13
DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act.*

The Company shall have a minimum of three and a maximum of 10 directors. The number of directors is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Articles 14.4 or 14.8.

13.2 Change in Number of Directors

If the number of directors is set under Article 13.1:

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or

(2) the directors, subject to Article 14.8, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at

the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) when his or her successor is elected or appointed; and

(4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Article 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15
POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16
INTERESTS OF DIRECTORS AND OFFICERS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the*Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act.*

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act.*

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company,

and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17
PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

(1) in person;

(2) by telephone; or

(3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such greater or lesser number as the directors may determine from time to time, provided that the minimum number of directors to constitute a quorum cannot be less than two directors.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18
EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

18.5 Committee Meetings

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 19
OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20
INDEMNIFICATION

20.1 Definitions

In this Article 20:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:

(a) is or may be joined as a party;
or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part 20.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

1) is or was a director, officer, employee or agent of the Company;

(2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

PART 21
DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 22
ACCOUNTING RECORDS AND AUDITOR

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act.*

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 23
NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder's registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

23.2 Deemed Receipt

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6 Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 24
SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25
PROHIBITIONS

25.1 Definitions

In this Part 25:

(1) "security" has the meaning assigned in the *Securities Act*;

(2) "transfer restricted security" means

(a) a share of the Company;

(b) a security of the Company convertible into shares of the Company;

(c) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company.

25.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 26
SPECIAL RIGHTS AND RESTRICTIONS

The special rights and restrictions attached to the Common Shares and the Proportionate Voting Shares of the Company are as follows:

26.1 Special Rights and Restrictions of both Common Shares and Proportionate Voting Shares

(1) ***Equality***

Except as set out in this Part 26, the Common Shares and Proportionate Voting Shares (collectively, the "Equity Shares") have the same rights and are equal in all respects and are treated by the Company as if they were shares of one class only.

(2) ***Liquidation Entitlement***

In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, all the property and assets of the Company available for distribution to the holders of the Equity Shares will be paid or distributed to the holders of the Equity Shares on the basis that each Proportionate Voting Share will be entitled to 1,000 times the amount distributed per Common Share, but otherwise there is no preference or distinction among or between the Equity Shares.

(3) ***Dividend Rights***

The holders of Equity Shares are entitled to receive non-cumulative dividends at such times and in such amounts as the directors may in their discretion from time to time determine. If, as and when dividends are declared by the directors, each Proportionate Voting Share is entitled to 1,000 times the amount paid or distributed per Common Share.

The directors may, at any time and from time to time, declare and pay a stock dividend:

(a) payable in Common Shares on the Common Shares, provided that at the same time a stock dividend payable in Proportionate Voting Shares is declared and paid in the same number of shares per share on the Proportionate Voting Shares; or

(a) payable in Proportionate Voting Shares on the Proportionate Voting Shares, provided that at the same time a stock dividend payable in Common Shares is declared and paid in the same number of shares per share on the Common Voting Shares.

(4) *Meetings*

The holders of Common Shares and Proportionate Voting Shares are entitled to receive notice of any meeting of shareholders of the Company, and to attend and vote at those meetings, except those meetings at which holders of a specific class of shares are entitled to vote separately as a class under the *Business Corporations Act.*

The Proportionate Voting Shares carry 1,000 votes per share for all matters coming before shareholders.

The Common Shares carry one vote per share for all matters coming before shareholders.

(5) *Variation of Rights*

Notwithstanding any other provision of these Articles, but subject to the *Business Corporations Act,* the special rights and restrictions attached to any Equity Shares may be modified if the amendment is authorized by not less than 66 2⁄3% of the votes cast at a meeting of holders of Equity Shares duly held for that purpose. However, if the holders of Proportionate Voting Shares, as a class, or the holders of Common Shares, as a class, are to be affected in a manner materially different from such other class of Equity Shares, the amendment must, in addition, be authorized by not less than 66 2⁄3% of the votes cast at a meeting of the holders of the class of shares which is affected differently.

(6) *Subdivision or Consolidation*

No subdivision or consolidation of the Common Shares or Proportionate Voting Shares may be carried out unless, at the same time, the Common Shares or Proportionate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each class of Equity Shares.

26.2 Common Shares

In addition to the special rights and restrictions set out in section 26.1 and subject to section 26.3(2) (c), the Common Shares have the special rights and restrictions set out in this section 26.2.

(1) *Conversion Rights*

Subject to section 26.3(2)(c), Common Shares may at any time, at the option of the holder, be converted into Proportionate Voting Shares on the basis of 1,000 Common Shares for one Proportionate Voting Share. The conversion right may be exercised at any time and from time to time by notice in writing delivered to the transfer agent of the Company (the "Transfer Agent") accompanied by the certificate or certificates representing the Common Shares or, if uncertificated, such other evidence of ownership as the Transfer Agent may require, in respect of which the holder wishes to exercise the right

of conversion. The notice must be signed by the registered holder of the Common Shares in respect of which the right of conversion is being exercised or by his or her duly authorized attorney and must specify the number of Common Shares which the holder wishes to have converted.

Upon receipt of the conversion notice and share certificate or share certificates or other evidence of ownership satisfactory to the Transfer Agent, the Company will issue a share certificate or other evidence of ownership representing Proportionate Voting Shares on the basis set out above to the registered holder of the Common Shares. If fewer than all the Common Shares represented by a certificate accompanying the notice are to be converted, the holder is entitled to receive a new certificate representing the shares comprised in the original certificate which are not to be converted.

Except as provided for in subsection (2), no fractional Proportionate Voting Shares will be issued on any conversion of Common Shares.

(2) ***Take-over Bids and Fractional Shares***

In addition to any rights contained in subsection (1) and subject to section 26.3(2)(c), if an offer (the "Offer") is being made for Proportionate Voting Shares where:

(a) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and

(b) no equivalent offer is made for the Common Shares,

the holders of Common Shares have the right, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to that offer.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with an Offer pursuant to this subsection (2), holders of an aggregate of Common Shares of less than 1,000 (an "Odd Lot") will be entitled to convert all but not less than all of such Odd Lot of Common Shares into a fraction of one Proportionate Voting Share, at a conversion ratio equivalent to 1,000 to one, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the offer in question and that any fraction of a Proportionate Voting Share that is tendered to the Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

26.3 Proportionate Voting Shares

In addition to the special rights and restrictions set out in section 26.1, the Proportionate Voting Shares have the special rights and restrictions set out in this section 26.3.

(1) ***Conversion at the Option of the Holder***

Each issued and outstanding Proportionate Voting Share may at any time, at the option of the holder, be converted into 1,000 Common Shares. The conversion right may be exercised at any time and from time to time by notice in writing delivered to the Transfer Agent accompanied by the certificate or certificates representing the Proportionate Voting Shares or, if uncertificated, such other evidence of ownership as the Transfer Agent may require, in respect of which the holder wishes to exercise the right of conversion. The notice must be signed by the registered holder of the Proportionate Voting Shares in respect of which the right of conversion is being exercised or by his or

her duly authorized attorney and must specify the number of Proportionate Voting Shares which the holder wishes to have converted.

Upon receipt of the conversion notice and share certificate or share certificates or other evidence of ownership satisfactory to the Transfer Agent, the Company will issue a share certificate or other evidence of ownership representing Common Shares on the basis set out above to the registered holder of the Proportionate Voting Shares. If fewer than all the Proportionate Voting Shares represented by a certificate accompanying the notice are to be converted, the holder is entitled to receive a new certificate representing the shares comprised in the original certificate which are not to be converted.

No fractional Common Shares will be issued on any conversion of Proportionate Voting Shares.

(2) ***Automatic Conversion***

If, at any time on or after July 1, 2011**,** the directors, in good faith, determine that none of the Original Holders (as defined below) owns, controls or directs, directly or indirectly, any Proportionate Voting Shares, then, effective on the date approved by the directors, the following shall occur and be deemed to occur in the following order:

(a) all of the Proportionate Voting Shares held by each holder shall, without any further action on the part of any holder of Proportionate Voting Shares, immediately and automatically be converted into fully paid Common Shares at the conversion ratio of 1,000 Common Shares for each Proportionate Voting Share;

(b) concurrently with the conversion of Proportionate Voting Shares in (a), the Company shall issue and promptly deliver to each holder of Proportionate Voting Shares share certificates or other evidence of ownership representing fully paid and non-assessable Common Shares in the amount equal to the number of Proportionate Voting Shares multiplied by 1000, and shall cancel all share certificates or other evidence of ownership representing Proportionate Voting Shares, whether or not such certificate or other evidence of ownership is delivered to the Company;

(c) the right in section 26.2 of holders of Common Shares to convert their shares into Proportionate Voting Shares shall be terminated; and

(d) the directors shall not be entitled to issue any further Proportionate Voting Shares.

In this section 26.3(2), **"Original Holders"** means the initial holders of Proportionate Voting Shares on the closing of the Company's initial public offering and any of their affiliates.

Exhibit 4.1

PERFORMANCE SPORTS GROUP

(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF BRITISH COLUMBIA)

NUMBER
CERT.9999

COMMON SHARES
9,000,000********
9,000,000******
****9,000,000********
*****9,000,000*******
******9,000,000******

THIS CERTIFIES THAT

* SPECIMEN *

CUSIP: 71377G100
ISIN: CA71377G1000

is the registered owner of

* NINE MILLION AND 00/100 *

FULLY PAID AND NON-ASSESSABLE COMMON SHARES WITHOUT PAR VALUE IN THE CAPITAL OF

PERFORMANCE SPORTS GROUP LTD.

transferable only on the books of the Corporation by the registered holder in person or by duly authorized Attorney on surrender of this Certificate properly endorsed.

There are special rights and restrictions attached to the Common Shares represented by this certificate. A copy of the full text of those special rights and restrictions may be obtained, without charge, from the registered office of the Corporation.

This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar of the Corporation.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized officers.

DATED: JANUARY 01, 2009

COUNTERSIGNED by
Equity Financial Trust Company
200 University Avenue, Suite 300
Toronto, ON M5H 4H1
Main Transfer Agent and Registrar

By_____
AUTHORIZED OFFICER

OR

COUNTERSIGNED AND REGISTERED by
Continental Stock Transfer & Trust Co.
17 Battery Place, 8th Floor
New York, NY 10004
Co-Transfer Agent

By_____
AUTHORIZED OFFICER

Kevin Davis
Chief Executive Officer

Amir Rosenthal
President

The Shares represented by this Certificate are transferable at the offices of Continental Stock Transfer & Trust Co., New York, New York, USA, and at the offices of Equity Financial Trust Company, Toronto, Ontario, Canada.

SECURITY INSTRUCTIONS ON REVERSE VOIR LES INSTRUCTIONS DE SÉCURITÉ AU VERSO

Printed by DATA BUSINESS FORMS

55220028

FORM OF TRANSFER

FOR VALUE RECEIVED, _____ hereby sell, assign and transfer unto

(PLEASE INSERT SOCIAL INSURANCE NUMBER OF TRANSFEREE)

			-				-			

_

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE)

_

__ Common Shares
of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

__Attorney
to transfer the said Stock on the Books of the within named Corporation, with full power of substitution in the premises.

Dated _____

Signature: _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A SCHEDULE 1 CANADIAN CHARTERED BANK OR AN ELIGIBLE GUARANTOR INSTITUTION WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM

Guaranteed
by: _____

RESTRICTIONS

SECURITY INSTRUCTIONS - INSTRUCTIONS DE SÉCURITÉ

THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

PAPER FILIGRANÉ, NE PAS ACCEPTER SANS VÉRIFIER LA PRÉSENCE DU FILIGRANE. POUR CE FAIRE, PLACER À LA LUMIÈRE.

Exhibit 10.1
EXECUTION VERSION

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

TERM LOAN CREDIT AGREEMENT

dated as of April 15, 2014,

among

BAUER PERFORMANCE SPORTS LTD.,

as

BORROWER,

VARIOUS LENDERS,

and

BANK OF AMERICA, N.A.,
as ADMINISTRATIVE AGENT and COLLATERAL AGENT

BANK OF AMERICA, N.A.,
J.P. MORGAN SECURITIES LLC,
RBC CAPITAL MARKETS
and
MORGAN STANLEY SENIOR FUNDING, INC.,

as JOINT LEAD ARRANGERS

BANK OF AMERICA, N.A.,
J.P. MORGAN SECURITIES LLC
and
RBC CAPITAL MARKETS,

as JOINT BOOKRUNNERS

JPMORGAN CHASE BANK, N.A.
and
RBC CAPITAL MARKETS,

as SYNDICATION AGENTS

TABLE OF CONTENTS

THIS TERM LOAN CREDIT AGREEMENT, dated as of April 15, 2014, among BAUER PERFORMANCE SPORTS LTD., a British Columbia corporation (the "**Borrower**"), the Lenders party hereto from time to time, BANK OF AMERICA, N.A. (" **Bank of America**"), as the Administrative Agent and Collateral Agent, BANK OF AMERICA, N.A., J.P. MORGAN SECURITIES LLC, RBC CAPITAL MARKETS, and MORGAN STANLEY SENIOR FUNDING, INC., as Joint Lead Arrangers (in such capacity, the " **Joint Lead Arrangers**") and BANK OF AMERICA, N.A., J.P. MORGAN SECURITIES LLC and RBC CAPITAL MARKETS, as Joint Bookrunners, and JPMORGAN CHASE BANK, N.A. and ROYAL BANK OF CANADA as Syndication Agents (in such capacities, the "**Syndication Agents**"). All capitalized terms used herein and defined in Article 1 are used herein as therein defined.

W I T N E S S E T H:

WHEREAS, pursuant to the Asset Purchase Agreement dated as of February 13, 2014 (including all schedules and exhibits thereto, the "**Acquisition Agreement**") among Easton Sports, Inc. and Easton Sports Canada, Inc. (together, the " **Sellers**"), BPS Greenland, Inc. and BPS Greenland Corp. (together, the "**Buyers**") and the other parties thereto, the Buyers will purchase from the Sellers certain of their assets, and assume certain liabilities of the Sellers, in each case relating to the Sellers' business of designing, developing, marketing, manufacturing, selling and distributing baseball, softball and lacrosse equipment, products, gear, apparel and related accessories (the "**Acquired Business**", and such transaction, the " **Acquisition**").

WHEREAS, on the Closing Date, certain Subsidiaries of the Borrower will enter into the ABL Credit Agreement to provide ongoing working capital and for other general corporate purposes of the Borrower and its Subsidiaries.

WHEREAS, the Borrower has requested that the Lenders make Initial Term Loans hereunder in the amount of $450,000,000 on the Closing Date, and the Borrower will use the proceeds of such borrowings to fund a portion of the Transaction.

WHEREAS, the Lenders have indicated their willingness to lend on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

Article 1
DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. *Defined Terms*. As used in this Agreement, the following terms shall have the following meanings:

"**ABL Agent**" shall mean the "administrative agent" or the "collateral agent" (as the context may require) under the ABL Credit Agreement (or any successor thereto).

"**ABL Credit Agreement** " shall mean *(a)* that certain asset-based revolving credit agreement, as in effect on the Closing Date and as the same may be amended, amended and restated, modified or supplemented from time to time in accordance with the terms hereof and thereof (including by reference to the ABL/Term Intercreditor Agreement), among certain Subsidiaries of the Borrower, certain lenders party thereto and Bank of America, N.A., as the Administrative Agent, and *(b)* any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any Indebtedness or other financial accommodation that constitutes a Permitted Refinancing of the agreement referred to in clause (i) that has been incurred to extend (subject to the limitations set forth herein and in the ABL/Term Intercreditor Agreement) or refinance in whole or in part the Indebtedness and other obligations outstanding under (x) the credit agreement referred to in clause (i) or (y) any subsequent ABL Credit Agreement, unless such agreement or instrument expressly provides that it is not intended to be and is not an ABL Credit Agreement hereunder. Any reference to the ABL Credit Agreement hereunder shall be deemed a reference to any ABL Credit Agreement then in existence.

"**ABL Priority Collateral**" shall have the meaning assigned to such term in the ABL/Term Intercreditor Agreement.

"**ABL/Term Intercreditor Agreement** " shall mean that certain ABL/Term Intercreditor Agreement in the form of Exhibit M, dated as of the Closing Date, by and among the Administrative Agent, the Collateral Agent and the ABL Agent (as the same may be amended, amended and restated, modified or supplemented from time to time in accordance with the terms hereof and thereof).

"**Acquired Business**" shall have the meaning provided in the recitals.

"**Acquired Entity or Business**" shall mean either (x) the assets constituting a business, division, product line, manufacturing facility or distribution facility of any Person not already a Subsidiary of the Borrower, which assets shall, as a result of the respective acquisition, be owned by a Restricted Subsidiary of the Borrower or (y) 100% of the Equity Interests of any such Person, which Person shall, as a result of the respective acquisition, become a Wholly-Owned Restricted Subsidiary of the Borrower (or shall be merged with and into the Borrower or a Wholly-Owned Restricted Subsidiary of the Borrower).

"**Acquisition**" shall have the meaning provided in the recitals.

"**Acquisition Agreement**" shall have the meaning provided in the recitals.

"**Acquisition Agreement Representations**" shall mean those representations made by Easton Sports, Inc., Easton Sports Canada, Inc. and Easton-Bell Sports, LLC, and their respective Subsidiaries and businesses in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Buyers have the right to terminate their obligations under the Acquisition Agreement, or to decline to consummate the Acquisition pursuant to the Acquisition Agreement, as a result of a breach of such representations in the Acquisition Agreement.

"**Acquisition Documents**" shall mean the collective reference to the Acquisition Agreement and all exhibits and schedules thereto as in effect on February 13, 2014.

"**Additional Intercreditor Agreement**" shall mean an intercreditor agreement among the Administrative Agent, the Collateral Agent and one or more Junior Representatives for holders of Permitted Junior Debt providing that, *inter alia*, the Liens on the Collateral (as defined in the Security Documents) in favor of the Collateral Agent (for the benefit of the Secured Creditors) shall be senior to such Liens in favor of the Junior Representatives (for the benefit of the holders of Permitted Junior Debt), as such intercreditor agreement may be amended, amended and restated, modified or supplemented from time to time in accordance with the terms hereof and thereof. The Additional Intercreditor Agreement shall be in the form of a Customary Intercreditor Agreement.

"**Additional Security Documents**" shall have the meaning provided in Section 8.11(a).

"**Adjusted Consolidated Working Capital**" shall mean, at any time, Consolidated Current Assets less Consolidated Current Liabilities at such time.

"**Administrative Agent**" shall mean Bank of America, in its capacity as Administrative Agent for the Lenders hereunder, and shall include any successor to the Administrative Agent appointed pursuant to Section 11.01.

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; *provided, however*, that neither the Administrative Agent nor any Lender (nor any Affiliate thereof) shall be considered an Affiliate of the Borrower or any Subsidiary thereof as a result of this Agreement, the extensions of credit hereunder or its actions in connection therewith.

"**Agent Parties**" shall have the meaning provided in Section 12.03(c).

"**Agents**" shall mean the Administrative Agent, the Collateral Agent, the Syndication Agents and any other agent with respect to the Credit Documents, including, without limitation, the Joint Lead Arrangers.

"**Agreement**" shall mean this Term Loan Credit Agreement, as modified, supplemented, amended, restated (including any amendment and restatement hereof), extended or renewed from time to time.

"**Applicable Increased Term Loan Spread**" shall mean, at any time, with respect to any Tranche of Initial Term Loans existing at the time of the provision of any new Tranche of Incremental Term Loans pursuant to Section 2.16 which existing Tranche is subject to an Effective Yield that is less than the Effective Yield applicable to such new Tranche of Incremental Term Loans by more than 0.50%, the margin per annum (expressed as a percentage) determined by Administrative Agent (and notified to the Lenders) as the margin per annum required to cause the Effective Yield applicable to such then-existing Tranche of Initial Term Loans to equal (i) the Effective Yield applicable to such newly-created Tranche of Incremental Term Loans *minus* (ii) 0.50%. Each determination of the "Applicable Increased Term Loan Spread" shall be made by Administrative Agent taking into account the relevant factors outlined in the proviso to subclause (B) of clause (viii) of Section 2.16(a) and shall be conclusive and binding on all Lenders absent manifest error.

"**Applicable Margin**" shall, except as provided below, mean a percentage per annum determined in accordance with the pricing grid set forth below:

Consolidated First Lien Net Leverage Ratio	**LIBO Rate**	**Base Rate**
≥ 4.25:1.00	3.50%	2.50%
< 4.25:1.00	3.00%	2.00%

Provided; that for purposes of the Pricing Grid the Consolidated First Lien Net Leverage Ratio (i) shall be deemed to be ≥4.25:1.00 until the end of the first Test Period ending after the Closing Date, (ii) shall thereafter mean the Borrower's Consolidated First Lien Net Leverage Ratio as of the Test Period then most recently ended and (iii) on and after the first day of the calendar month beginning after the occurrence of the Leverage Step-Down Trigger but prior to the end of the Test Period in which the Leverage Step-Down Trigger occurs, the Borrower's Consolidated First Lien Net Leverage Ratio as of the Test Period then most recently ended on a Pro Forma Basis;

provided further; that (w) on and after the date of the provision of any new Tranche of Incremental Term Loans that gives rise to a determination of a new Applicable Increased Term Loan Spread in respect of any Tranche of Initial Term Loans existing at such time, the Applicable Margins for such Tranche of Initial Term Loans shall be such Applicable Increased Term Loan Spread for such Tranche of Initial Term Loans; (x) the Applicable Margin in respect Incremental Term Loans of any Tranche shall be (i) in the case of Incremental Term Loans added to an existing Tranche, the same as the Applicable Margin for such existing Tranche, and (ii) otherwise, the applicable percentages per annum provided pursuant to the relevant Incremental Term Loan Commitment Agreement; (y) the Applicable Margin in respect of Refinancing Term Loans of any Tranche shall be the applicable percentages per annum provided pursuant to the relevant Refinancing Term Loan Amendment; and (z) the Applicable Margin in respect of Extended Term Loans of any Extension Series shall be the applicable percentages per annum provided pursuant to the relevant Extension Amendment.

"**Applicable Prepayment Percentage**" shall mean, at any time, 50%; *provided* that, if at any time the Consolidated Total Net Leverage Ratio is (i) less than or equal to 3.25:1.00 (as set forth in an officer's certificate delivered pursuant to Section 8.01(d) for the fiscal year then last ended), the Applicable Prepayment Percentage shall instead be 25% and (ii) less than or equal to 2.50:1.00 (as set forth in an officer's certificate delivered pursuant to Section 8.01(d), for the fiscal year then last ended), the Applicable Prepayment Percentage shall instead be 0%.

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

"**Asset Sale**" shall mean any sale, transfer or other disposition by the Borrower or any of its Restricted Subsidiaries to any Person (including by way of redemption by such Person) other than to the Borrower or a Wholly-Owned Subsidiary of the Borrower of any asset (including, without limitation, any capital stock or other securities of, or Equity Interests in, another Person) pursuant to Sections 9.02(ii), (ix), (xi) or (xiii) .

"**Assignment and Assumption Agreement** " shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit K (appropriately completed) or such other form as shall be acceptable to the Administrative Agent.

"**Auction**" shall have the meaning set forth in Section 2.18(a).

"**Auction Manager**" shall have the meaning set forth in Section 2.18(a).

"**Available Amount**" shall mean, on any date (the " **Determination Date**"), an amount equal to:

(a) $20,000,000; *plus*

(b) (x) the sum of, without duplication:

(i) the Retained Portion of Excess Cash Flow of the Borrower for the fiscal years of the Borrower commencing with the fiscal year ended May 31, 2015, in each case for which Section 8.01(b) Financials have been delivered on the Determination Date; *plus*

(ii) 100 % of the aggregate Net Equity Proceeds and fair market value (as determined in good faith by the Borrower) of property other than cash received by the Borrower since the Closing Date (x) as a contribution to its common equity capital or from the issue or sale of the Equity Interests of the Borrower (excluding, without duplication, Qualified Preferred Stock, Equity Interests sold to a Subsidiary of the Borrower or the sale of which was financed as contemplated by Section 9.05(viii) or which were used as described in clause (v) of the definition of Consolidated EBITDA), or (y) from the issue or sale of Qualified Preferred Stock of the Borrower or debt securities of the Borrower, in each case that have been converted into or exchanged for Equity Interests of the Borrower (other than Qualified Preferred Stock and convertible or exchangeable Equity Interests or debt securities

sold to a Subsidiary of the Borrower), but in the cases of clauses (x) and (y), (A) only to the extent of that portion of such Net Equity Proceeds in excess of amounts that would be required to be applied to prepay the Term Loan in order to cause the occurrence of the Leverage Step-Down Trigger (for the avoidance of debt, only one time) and (B) excluding such amounts to the extent they constitute Specified Equity Contributions under the ABL Credit Agreement; *plus*

(iii) 100% of the aggregate amount of cash proceeds and the fair market value of property other than cash received by the Borrower or a Restricted Subsidiary of the Borrower from (A) the sale or disposition (other than to the Borrower or a Restricted Subsidiary of the Borrower) of Investments made after the Closing Date the permissibility of which was contingent upon the utilization of the Available Amount and from repayments, repurchases and redemptions of such Investments from the Borrower and its Restricted Subsidiaries by any Person (other than the Borrower or its Restricted Subsidiaries); (B) a return, profit, distribution or similar amounts from an Investment made after the Closing Date the permissibility of which was contingent upon the utilization of the Available Amount, to the extent that such amounts were not otherwise included in the Consolidated Net Income of the Borrower for such period, (C) the sale (other than to the Borrower or any of its Restricted Subsidiaries) of the Equity Interests of an Unrestricted Subsidiary; and (D) a distribution or dividend from an Unrestricted Subsidiary, to the extent that such amounts were not otherwise included in the Consolidated Net Income of the Borrower for such period; and (E) any Investment that was made after the Closing Date in a Person that is not a subsidiary at such time that subsequently becomes a Restricted Subsidiary of the Borrower; *provided* that in each case, such amount will not exceed the amount of the Investment initially made using the Available Amount; *plus*

(iv) in the event that any Unrestricted Subsidiary of the Borrower designated as such after the Closing Date is redesignated as a Restricted Subsidiary or has been merged or consolidated with or into or transfers or conveys its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary of the Borrower, in each case after Closing Date, the fair market value of the Borrower's Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after deducting any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed;

minus (c) the sum of:

(i) the aggregate amount of the consideration paid by the Borrower and its Restricted Subsidiaries in reliance upon the Available Amount under Section 8.13(a)(iii)(y) in connection with Permitted Acquisitions consummated on or after the Closing Date and on or prior to the Determination Date;

(ii) the aggregate amount of all Dividends made by the Borrower and its Restricted Subsidiaries pursuant to Section 9.03(vii) on or after the Closing Date and on or prior to the Determination Date;

(iii) the aggregate amount of all Investments made by the Borrower and its Restricted Subsidiaries pursuant to Section 9.05(xix) on or after the Closing Date and on or prior to the Determination Date; and

(iv) the aggregate amount of repayments, repurchases, redemptions or defeasances of Indebtedness pursuant to Section 9.07(a)(i).

"**Bank of America**" shall have the meaning provided in the first paragraph of this Agreement.

"**Bank Product**" shall mean any of the following products, services or facilities extended to the Borrower or any Credit Parties: (a) Cash Management Services; (b) products under Swap Contracts; (c) commercial credit card and merchant card services; and (d) other banking products or services as may be requested by the Borrower or any Credit Parties.

"**Bank Product Debt**" shall mean the Indebtedness and other obligations of the Borrower or any of its Subsidiaries relating to Bank Products.

"**Bankruptcy Code**" shall have the meaning provided in Section 10.01(e).

"**Base Rate**" means for any day, a per annum rate equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate", and (c) the LIBO Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"**Base Rate Term Loan**" shall mean each Term Loan that is designated or deemed designated as a Base Rate Term Loan by the Borrower at the time of the incurrence thereof or conversion thereto.

"**Bona Fide Debt Fund**" shall mean a bona fide debt fund or investment vehicle that is engaged in making, purchasing, holding or otherwise investing in loans, commitments and similar extensions of credit in the ordinary course of business.

"**Borrower**" shall have the meaning provided in the first paragraph of this Agreement.

"**Borrower Materials**" shall have the meaning provided in Section 8.01.

"**Borrowing**" shall mean the borrowing of the same Type of Term Loan pursuant to a single Tranche by the Borrower, as the case may be, from all the Lenders having Commitments with respect to such Tranche on a given date (or resulting from a conversion or conversions on such date), having in the case of LIBO Rate Term Loans, the same Interest Period; *provided* any Incremental Term Loans incurred pursuant to Section 2.01(a) shall be considered part of the related Borrowing of the then outstanding Tranche of Term Loans (if any) to which such Incremental Term Loans are added pursuant to, and in accordance with the requirements of, Section 2.16(c).

"**Business Day**" shall mean (i) for all purposes other than as covered by clause (ii) below, any day except Saturday, Sunday and any day that shall be in New York City a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBO Rate Term Loans, any day that is a Business Day described in clause (i) above and that is also a day for trading by and between banks in the New York or London interbank market.

"**Buyers**" shall have the meaning provided in the recitals.

"**Canadian AML Acts**" shall mean applicable Canadian law regarding anti-money laundering, anti-terrorist financing, government sanctions and "know your client" matters, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

"**Canadian Defined Benefit Plan**" means a Canadian Pension Plan that contains a "defined benefit provision" as defined in Subsection 147.1(1) of the ITA.

"**Canadian Dollars**" and the sign "**Cdn. $**" shall each mean freely transferable lawful money (expressed in Canadian Dollars) of Canada.

"**Canadian Employee Plan**" means a Canadian Pension Plan, a Canadian Welfare Plan or both.

"**Canadian GAAP**" shall mean, applied on a consistent basis, generally accepted accounting principles in Canada as in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants.

"**Canadian Pension Plan**" means a pension plan or plan that is subject to the Pension Benefits Act (Ontario) or any other similar legislation in any other jurisdiction of Canada for employees in Canada and former employees in Canada of the Borrower or any Subsidiary of the Borrower.

"**Canadian Pledge Agreement**" shall mean, collectively, each pledge agreement, in substantially the form of Exhibit F-2 (together with each other Canadian pledge agreement delivered pursuant to the terms of this Agreement), as amended, amended and restated, or otherwise modified or supplemented from time to time.

"**Canadian Security Agreement**" shall mean, collectively, each security agreement and hypothec, in substantially the form of Exhibits G-2 and G-3 (together with each other Canadian security agreement or hypothec delivered pursuant to the terms of this Agreement), as amended, amended and restated, or otherwise modified or supplemented from time to time.

"**Canadian Statutory Plan**" means any benefit plan that the Borrower or any Subsidiary of the Borrower is required by statute to participate in or contribute to in respect of any current or former employee, director, officer, consultant or independent contractor in Canada of that Person, or any dependent of any of them, including the Canada Pension Plan, the Quebec Pension Plan and

plans administered pursuant to applicable legislation regarding healthcare, workers' compensation insurance and employment insurance.

"**Canadian Unfunded Pension Liability**" of any Canadian Defined Benefit Plan shall mean a solvency deficiency within the meaning of the Pension Benefits Act (Ontario) or other similar legislation in any other jurisdiction of Canada applicable to the Canadian Defined Benefit Plan, determined as of the end of the most recent plan year of the Canadian Defined Benefit Plan.

"**Canadian Welfare Plan**" means any deferred compensation, bonus, share option or purchase, savings, retirement savings, retirement benefit, profit sharing, medical, health, hospitalization, insurance or any other benefit, program, agreement or arrangement, funded or unfunded, formal or informal, written or unwritten, that is applicable to any current or former employee, director, officer, consultant or independent contractor in Canada of the Borrower or any Subsidiary of the Borrower, or any dependent of any of them, other than a Canadian Pension Plan or a Canadian Statutory Plan.

"**Capital Expenditures**" shall mean, with respect to any Person, all expenditures by such Person which should be capitalized in accordance with IFRS and, without duplication, the amount of Capital Expenditures incurred by such Person; *provided* that Capital Expenditures shall not include (i) the purchase price paid in connection with the Acquisition or a Permitted Acquisition, (ii) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for such existing equipment being traded in at such time, (iii) expenditures made in leasehold improvements, to the extent reimbursed by the landlord, (iv) expenditures to the extent that they are actually paid for by a third party (excluding any Credit Party or any of its Restricted Subsidiaries) and for which no Credit Party or any of its Restricted Subsidiaries has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such third party or any other Person (whether before, during or after such period) and (v) property, plant and equipment taken in settlement of accounts.

"**Capitalized Lease Obligations**" shall mean, with respect to any Person, all rental obligations of such Person which, under IFRS are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with IFRS.

"**Cash Equivalents**" shall mean:

(i) U.S. Dollars, Canadian Dollars, pounds sterling, euros, the national currency of any participating member state of the European Union or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(ii) readily marketable direct obligations of any member of the European Economic Area, Switzerland, or Japan, or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, and, at the time of acquisition thereof, having a credit rating of at least AA- (or the equivalent grade)

by Moody's or Aa3 by S&P;

(iii) marketable general obligations issued by any state of the United States or any province or territory of Canada or any political subdivision thereof or any instrumentality thereof that are guaranteed by the full faith and credit of such state, province or territory and, at the time of acquisition thereof, having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(iv) securities or any other evidence of Indebtedness or readily marketable direct obligations issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality of the United States or Canadian government (*provided* that the full faith and credit of the United States or Canada is pledged in support of those securities), in such case having maturities of not more than twelve months from the date of acquisition;

(v) certificates of deposit and eurodollar time deposits with maturities of twelve months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve months and overnight bank deposits, in each case, with any Lender party to this Agreement or any commercial bank or trust company having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's and a combined capital and surplus greater than $500,000,000;

(vi) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (iv) and (v) above entered into with any financial institution meeting the qualifications specified in clause (v) above;

(vii) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within twelve months after the date of acquisition; and

(viii) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (i) through (vii) of this definition.

"**Cash Management Services**" shall mean any services provided from time to time to the Borrower or any of its Subsidiaries in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox and stop payment services.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same has been amended and may hereafter be amended from time to time, 42 U.S.C. § 9601 *et seq*.

"**CFC**" shall mean a Subsidiary of the Borrower that is a "controlled foreign corporation" for purposes of Section 957 of the Code.

"**Change of Control**" shall mean an event or series of events by which any of the following occurs:

(a) the direct or indirect sale, transfer, conveyance or other Disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and its Subsidiaries, taken as a whole, to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act); or

(b) any "person" (as defined above) becomes the beneficial owner, directly or indirectly, of more than 35% of the combined voting power of all of Equity Interests entitled to vote for members of the board of directors or equivalent governing body of the Borrower; or

(c) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower ceases to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued but only to the extent a Lender is imposing applicable increased costs or costs in connection with capital adequacy requirements similar to those described in clauses (a) and (b) of Section 2.10 generally on other borrowers of loans under United States cash flow term loan credit facilities.

"**Closing Date**" shall mean April 15, 2014.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" shall mean all property (whether real, personal or otherwise) with respect to

which any security interests or hypothecs have been granted (or purported to be granted) pursuant to any Security Document (including any Additional Security Documents) or will be granted in accordance with requirements set forth on Schedule 8.12, including, without limitation, all Pledge Agreement Collateral, all collateral as described in the Security Agreements, all Mortgaged Properties and all cash and Cash Equivalents.

"**Collateral Agent**" shall mean the party acting as collateral agent for the Secured Creditors pursuant to the Security Documents.

"**Commitment**" shall mean any of the commitments of any Lender, whether an Initial Term Loan Commitment, Extended Term Loan Commitment, Refinancing Term Loan Commitment or an Incremental Term Loan Commitment of such Lender.

"**Company Material Adverse Effect**" shall mean any change, event, development, condition or occurrence which, individually or together with any one or more other changes, events, developments, conditions or occurrences, has had or would reasonably be expected to have a material adverse effect on or with respect to the assets, liabilities, properties, business, results of operations, condition (financial or otherwise), of the Business and the Purchased Assets, taken as a whole, in each case, except for any such change, event, development, condition or occurrence resulting from or arising out of (a) changes in general economic, financial, or market conditions, (b) changes generally affecting the industries in which the Business is conducted, (c) changes in applicable laws or accounting requirements or interpretations thereof after the date hereof, (d) an earthquake or other natural disaster, (e) the taking of any actions permitted by the Acquisition Agreement, (f) the failure to meet projections (but not the underlying facts or reasons for such failure to meet such projections), or (g) any act of war, terrorism or armed conflict which, in the case of any of the foregoing clauses (a) through (g) does not disproportionately affect the Business and the Purchased Assets relative to other Persons in the industry in which the Sellers operate the Business. Capitalized terms used in the foregoing definition and not defined herein shall have the meanings given such terms by the Acquisition Agreement as in effect on February 13, 2014.

"**Compliance Certificate**" shall mean a certificate of the Responsible Officer of the Borrower substantially in the form of Exhibit J hereto, or otherwise in form and substance reasonably satisfactory to the Administrative Agent.

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Consolidated Current Assets**" shall mean, at any time, the consolidated current assets of the Borrower and its Restricted Subsidiaries at such time (other than cash and Cash Equivalents, amounts related to current or deferred Taxes based on income or profits, assets held for sale, loans to third parties that are permitted under this Agreement, pension assets, deferred bank fees and derivative financial instruments).

"**Consolidated Current Liabilities**" shall mean, at any time, the consolidated current liabilities of the Borrower and its Restricted Subsidiaries at such time, but excluding the current portion of any Indebtedness under this Agreement, the current portion of any other long-term

Indebtedness which would otherwise be included therein, accruals of Interest Expense (excluding Interest Expense that is due and unpaid), accruals for current or deferred Taxes based on income or profits, accruals of any costs or expenses related to restructuring reserves to the extent permitted to be included in the calculation of Consolidated EBITDA and the current portion of pension liabilities.

"**Consolidated Depreciation and Amortization Expense** " shall mean, with respect to any Person, for any period, the total amount of depreciation and amortization expense, including (i) amortization of deferred financing fees, (ii) amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits and (iii) amortization of intangibles (including goodwill and organizational costs) (excluding any such adjustment to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such adjustment is subsequently reversed), in each case of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS.

"**Consolidated EBITDA**" shall mean, for any period, Consolidated Net Income for such period; *plus*

all of the following, in each case as determined without duplication in accordance with Section 12.07(a) and, except with respect to clause (ix), to the extent deducted in calculating Consolidated Net Income for such period:

(i) Interest Expense;

(ii) provision for taxes based on income or profits or capital (or any alternative tax in lieu thereof), including, without limitation, federal, foreign, state, provincial, franchise and similar taxes and foreign withholding taxes of the Borrower and its Restricted Subsidiaries for such period, including payments made pursuant to any tax sharing agreements or arrangements among the Borrower and its Restricted Subsidiaries (including penalties and interest related to taxes or arising from tax examinations);

(iii) Consolidated Depreciation and Amortization Expense of such Person for such period;

(iv) other costs or expense pursuant to any management equity plan, supplemental executive retirement plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of common Equity Interests of the Borrower or Qualified Preferred Stock;

(v) any compensation expense (whether cash or non-cash) resulting from the repurchase of any Equity Interests of the Borrower from employees, directors or consultants of the Borrower or any of its Restricted Subsidiaries, in each case pursuant to the provisions of Section 9.03(iii);

(vi) any up-front fees, transaction costs, commissions, expenses, premiums or charges related to any equity offering, permitted investment, acquisition, disposal or incurrence, repayment, amendment or modification of Indebtedness permitted by this Agreement (whether or not successful) and up-front or financing fees, transaction costs, commissions, expenses, premiums or charges related to the Transaction and any nonrecurring merger or business acquisition transaction costs incurred during such period (in each case whether or not successful);

(vii) cash restructuring charges or reserves and business optimization expense, including any restructuring costs and integration costs incurred in connection with Permitted Acquisitions after the Closing Date, costs related to the opening and closure and/or consolidation of facilities, retention charges, contract termination costs, retention, recruiting, relocation, severance and signing bonuses and expenses, transaction fees and expenses, future lease commitments, systems establishment costs, conversion costs and excess pension charges, consulting fees and any one-time expense relating to enhanced accounting function or any other costs incurred in connection with any of the foregoing; *provided* that the aggregate amount of add backs made pursuant to this clause (vii) for any period of four consecutive fiscal quarters, when added to the aggregate amount of add backs made pursuant to clause (viii) below for such period of four consecutive fiscal quarters, shall not exceed an amount equal to 15% of Consolidated EBITDA for such period of four consecutive fiscal quarters (without giving effect to any adjustments pursuant to this clause (vii) or clause (viii) below);

(viii) the amount of net cost savings, operating expense reductions, other operating improvements and acquisition synergies projected by the Borrower in good faith to be realized during such period (calculated on a pro forma basis as though such items had been realized on the first day of such period) as a result of actions taken or to be taken in connection with the Transaction or any acquisition or disposition or operational change by the Borrower or any Restricted Subsidiary, net of the amount of actual benefits realized during such period that are otherwise included in the calculation of Consolidated EBITDA from such actions, *provided* that (A) a duly completed certificate signed by a Responsible Officer of the Borrower shall be delivered to the Administrative Agent with the Compliance Certificate required to be delivered pursuant to Section 8.01(d), certifying that (x) such cost savings, operating expense reductions, other operating improvements and synergies are reasonably expected and factually supportable in the good faith judgment of the Borrower, and (y) such actions are to be taken within (I) in the case of any such cost savings, operating expense reductions, other operating improvements and synergies in connection with the Transaction, 12 months after the Closing Date and (II) in all other cases, within 12 months after the consummation of the acquisition, disposition, restructuring or the implementation of an initiative, which is expected to result in such cost savings, expense reductions, other operating improvements or synergies, (B) no cost savings, operating expense reductions, other operating improvements and synergies shall be added pursuant to this clause (viii) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period, (C) to the extent that any cost savings, operating expense reductions, other operating improvements and synergies

are not associated with the Transaction or any other specified transaction, all steps shall have been taken for realizing such savings, (D) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this clause (viii) to the extent occurring more than four full fiscal quarters after the specified action taken in order to realize such projected cost savings, operating expense reductions and synergies and (E) the aggregate amount of add backs made pursuant to this clause (viii) for any period of four consecutive fiscal quarters, when added to the aggregate amount of add backs made pursuant to clause (vii) above for such period of four consecutive fiscal quarters, shall not exceed an amount equal to 15% of Consolidated EBITDA for such period of four consecutive fiscal quarters (without giving effect to any adjustments pursuant to this clause (viii) or clause (vii) above);

(ix) to the extent covered by insurance and actually reimbursed or otherwise paid, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed or otherwise paid by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed or otherwise paid within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed or otherwise paid within such 365 days), expenses with respect to liability or casualty events and expenses or losses relating to business interruption;

(x) expenses to the extent covered by contractual indemnification or refunding provisions in favor of the Borrower or a Restricted Subsidiary and actually paid or refunded, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be paid or refunded by the indemnifying party or other obligor and only to the extent that such amount is (A) not denied by the applicable indemnifying party or obligor in writing within 90 days and (B) in fact reimbursed within 180 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 180 days);

(xi) the amount of any minority expense; and

(xii) all non-cash charges and non-cash losses which were included in arriving at Consolidated Net Income for such period (excluding any such non-cash charges or non-cash losses to the extent that they represent an accrual or reserve for potential cash charges or losses in any future period or amortization of a prepaid cash charge or loss that was paid in a prior period);

minus all non-cash gains to the extent included in Consolidated Net Income for such period (excluding any non-cash gains to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period);

provided that, notwithstanding the foregoing:

(1) to the extent that any non-cash charge added back to Consolidated Net Income pursuant to any of the foregoing provisions for any period (including

periods prior to the Closing Date pursuant to the Existing Credit Agreement) shall become a cash event during any subsequent period, the amount thereof shall be deducted from Consolidated Net Income in determining Consolidated EBITDA for such subsequent period, except, (x) in the case of compensation expense resulting from the repurchase of any Equity Interests of the Borrower from employees of the Borrower or any of its Restricted Subsidiaries, to the extent permitted to be added in determining Consolidated EBITDA pursuant to the foregoing clause (v) and (y) in the case of restructuring charges, to the extent permitted to be added in determining Consolidated EBITDA pursuant to the foregoing clause (vii);

(2) in determining the Consolidated Total Net Leverage Ratio, Consolidated First Lien Net Leverage Ratio and the Consolidated Senior Secured Net Leverage Ratio, Consolidated EBITDA for any period shall be calculated on a Pro Forma Basis to give effect to any Acquired Entity or Business (other than any Unrestricted Subsidiary redesignated as a Restricted Subsidiary of the Borrower) acquired during such period pursuant to a Permitted Acquisition and not subsequently sold or otherwise disposed of by the Borrower or any of its Restricted Subsidiaries during such period;

(3) in determining the Consolidated Total Net Leverage Ratio, Consolidated First Lien Net Leverage Ratio and the Consolidated Senior Secured Net Leverage Ratio, Consolidated EBITDA for any period shall be calculated on a Pro Forma Basis to give effect to any disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of any Subsidiary of the Borrower or of the Equity Interests of any Subsidiary of the Borrower during such period and not subsequently reacquired by the Borrower or any of its Restricted Subsidiaries during such period; and

(4) Consolidated EBITDA shall be deemed to be $22,900,000 for the fiscal quarter ended May 31, 2013, $37,600,000 for the fiscal quarter ended August 31, 2013 and $21,900,000 for the fiscal quarter ended November 30, 2013.

"**Consolidated First Lien Secured Debt**" shall mean, at any time, (i) the sum of all Consolidated Indebtedness at such time that is secured by a Lien on any assets of the Borrower or any of its Restricted Subsidiaries *less* (i) the aggregate principal amount of any such Indebtedness of the Borrower and its Restricted Subsidiaries at such time that is contractually subordinated in right of payment to the Obligations and, without duplication, (ii) the aggregate principal amount of such Indebtedness of the Borrower and its Restricted Subsidiaries at such time that is secured by a Lien on the assets of the Borrower and its Restricted Subsidiaries that is contractually junior to the Lien securing the Obligations, and (iii) the aggregate amount of unrestricted cash and Cash Equivalents (in each case, free and clear of all Liens, other than nonconsensual Liens permitted by Section 9.01 and Liens created under the ABL Credit Agreement and the credit documents related thereto, any Credit Document and any Permitted Junior Debt Documents (to the extent that such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis)) (it being understood that unrestricted cash and Cash Equivalents shall be deemed to be equal to the

average quarterly amount of unrestricted cash and Cash Equivalents over the last completed four quarter period (*provided* that such unrestricted cash and Cash Equivalents shall be deemed to be $7,398,000 for the fiscal quarter ended May 31, 2013, $9,217,000 for the fiscal quarter ended August 31, 2013, $7,184,000 for the fiscal quarter ended November 30, 2013 and $7,093,000 for the fiscal quarter ended February 28, 2014)) not in excess of $10,000,000 included on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such time.

"**Consolidated First Lien Net Leverage Ratio** " shall mean, at any time, the ratio of (i) Consolidated First Lien Secured Debt at such time to (ii) Consolidated EBITDA for the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered). If the Consolidated First Lien Net Leverage Ratio is being determined for a given Test Period, Consolidated First Lien Secured Debt shall be measured on the last day of such Test Period, with Consolidated EBITDA being determined for such Test Period on a Pro Forma Basis.

"**Consolidated Indebtedness**" shall mean, at any time, the sum of (without duplication) (i) all Indebtedness of the Borrower and its Restricted Subsidiaries (on a consolidated basis (it being understood that Indebtedness under the ABL Credit Agreement shall be deemed to be equal to the average quarterly amount of obligations outstanding under the ABL Credit Agreement over the last completed twelve month period (*provided* that such Indebtedness shall, for months prior to the Closing Date, be deemed to be $60,440,000 for the fiscal quarter ended May 31, 2013, $79,331,000 for the fiscal quarter ended August 31, 2013, $67,754,000 for the fiscal quarter ended November 30, 2013 and $57,203,000 for the fiscal quarter ended February 28, 2014)) that would be required to be reflected as debt or Capitalized Lease Obligations on the liability side of a consolidated balance sheet of the Borrower and its consolidated Restricted Subsidiaries in accordance with IFRS, (ii) all Indebtedness of the Borrower and its Restricted Subsidiaries of the type described in clause (i)(A) of the definition of Indebtedness and (iii) all Contingent Obligations of the Borrower and its Restricted Subsidiaries in respect of Indebtedness of any third Person of the type referred to in the preceding clauses (i) and (ii); *provided* that Consolidated Indebtedness shall not include Indebtedness in respect of any Refinancing Notes or Permitted Junior Notes that have been defeased or satisfied and discharged in accordance with the applicable indenture or with respect to which the required deposit has been made in connection with a call for repurchase or redemption to occur within the time period set forth in the applicable indenture, in each case to the extent such transactions are permitted by Section 9.07.

"**Consolidated Net Income**" shall mean, for any period, the net income (or loss) of the Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis (after any deduction for minority interests), *provided* that:

(i) in determining Consolidated Net Income, the net income (or loss) of any other Person which is not a Restricted Subsidiary of the Borrower or is accounted for by the Borrower by the equity method of accounting shall be included (x) in the case of net income, only to the extent of the payment of dividends, distributions or other payment that are actually paid in cash (or to the extent converted into cash) by such other Person to the

Borrower or a Restricted Subsidiary thereof during such period, or (y) in the case of net loss, only to the extent of any losses actually funded (through Investments or otherwise) by the Borrower or a Restricted Subsidiary thereof during such period;

(ii) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including relating to the Transaction and any reconstruction, recommissioning or reconfiguration of fixed assets for alternate uses) shall be excluded;

(iii) the net income or loss for such period shall not include the cumulative effect of a change in accounting principles during such period, whether effected through a cumulative effect adjustment or a retroactive application, in each case in accordance with IFRS;

(iv) any net after-tax effect (using a reasonable estimate based on applicable tax rates) from disposed, abandoned or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned or discontinued operations shall be excluded;

(v) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or the sale or other disposition of any Equity Interests of any Person other than in the ordinary course of business, as determined in good faith by the Borrower, shall be excluded;

(vi) any effects of purchase accounting (including the effects of such adjustments pushed down to such Person and its Subsidiaries) in component amounts required or permitted by IFRS, resulting from the application of purchase accounting in relation to the Transaction or any Permitted Acquisition or Investment that is consummated after the Closing Date, net of taxes, or the amortization or write-up, writedown or write-off of any amounts thereof, net of taxes, shall be excluded;

(vii) any net after-tax effect (using a reasonable estimate based on applicable tax rates) from the early extinguishment of Indebtedness, Swap Contracts or Bank Product Debt or other derivative obligations shall be excluded;

(viii) any net unrealized after-tax gain or loss resulting from Swap Contracts or Bank Product Debt or other derivative instruments and the application of the application of Accounting Standards Codification No. 815 and their respective related pronouncements and interpretations shall be excluded;

(ix) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of any impairment charge or asset write-off, write-up or write-down and the amortization of intangibles and other fair value adjustments, in each case pursuant to IFRS, shall be excluded;

(x) any net after-tax effect (using a reasonable estimate based on applicable tax

rates) of non-cash compensation expense recorded from grants or periodic remeasurements of stock appreciation or similar rights, stock options, restricted stock or other rights or any other issuance of Equity Interests to employees, directors or consultants of the Borrower or any of its Restricted Subsidiaries or any compensation expense arising out of the Borrower's existing supplemental executive retirement plans shall be excluded;

(xi) accruals and reserves that are established after 12 months after the Closing Date that are required to be established as a result of the Transaction in accordance with IFRS shall be excluded;

(xii) any adjustments attributable to foreign currency translations, including those relating to mark-to-market of Indebtedness denominated in foreign currencies resulting from the application of IFRS, including ASC No. 830, shall be excluded; and

(xiii) (a) to the extent covered by insurance and actually reimbursed, or, so long as such person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (x) not denied by the applicable carrier in writing within 180 days and (y) in fact reimbursed within 365 days following the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption shall be excluded; and (b) amounts estimated in good faith to be received from insurance in respect of lost revenues or earnings in respect of liability or casualty events or business interruption shall be included (with a deduction for amounts actually received up to such estimated amount to the extent included in Consolidated Net Income in a future period).

"**Consolidated Senior Secured Debt**" shall mean, at any time, (i) the sum of all Consolidated Indebtedness at such time that is secured by a Lien on any assets of the Borrower or any of its Restricted Subsidiaries *less* (ii) the aggregate principal amount of any such Indebtedness of the Borrower and its Restricted Subsidiaries at such time that is contractually subordinated in right of payment to the Obligations *less* (iii) the aggregate amount of unrestricted cash and Cash Equivalents (in each case, free and clear of all Liens, other than nonconsensual Liens permitted by Section 9.01 and Liens created under the ABL Credit Agreement and the credit documents related thereto, any Credit Document and any Permitted Junior Debt Documents (to the extent that such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis)) (it being understood that unrestricted cash and Cash Equivalents shall be deemed to be equal to the average quarterly amount of unrestricted cash and Cash Equivalents over the last completed four quarter period (provided that such unrestricted cash and Cash Equivalents shall be deemed to be $7,398,000 for the fiscal quarter ended May 31, 2013, $9,217,000 for the fiscal quarter ended August 31, 2013, $7,184,000 for the fiscal quarter ended November 30, 2013 and $7,093,000 for the fiscal quarter ended February 28, 2014) not in excess of $10,000,000 included on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such time.

"**Consolidated Senior Secured Net Leverage Ratio**" shall mean, at any time, the ratio of (i) Consolidated Senior Secured Debt at such time to (ii) Consolidated EBITDA for the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four

consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered). If the Consolidated Senior Secured Net Leverage Ratio is being determined for a given Test Period, Consolidated Senior Secured Debt shall be measured on the last day of such Test Period, with Consolidated EBITDA being determined for such Test Period, in each case, on a Pro Forma Basis.

"**Consolidated Total Assets** " shall mean, as of any date of determination, the amount that would, in conformity with IFRS, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date.

"**Consolidated Total Net Leverage Ratio** " shall mean, at any time, the ratio of (x) Consolidated Indebtedness at such time *minus* the aggregate amount of unrestricted cash and Cash Equivalents (in each case, free and clear of all Liens, other than nonconsensual Liens permitted by Section 9.01 and Liens created under the ABL Credit Agreement and the credit documents related thereto, any Credit Document and any Permitted Junior Debt Documents (to the extent that such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis)) (it being understood that unrestricted cash and Cash Equivalents shall be deemed to be equal to the average quarterly amount of unrestricted cash and Cash Equivalents over the last completed four quarter period (*provided* that such unrestricted cash and Cash Equivalents shall be deemed to be $7,398,000 for the fiscal quarter ended May 31, 2013, $9,217,000 for the fiscal quarter ended August 31, 2013, $7,184,000 for the fiscal quarter ended November 30, 2013 and $7,093,000 for the fiscal quarter ended February 28, 2014) not in excess of $10,000,000 included on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such time to (y) Consolidated EBITDA for the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered). If the Consolidated Total Net Leverage Ratio is being determined for a given Test Period, Consolidated Indebtedness shall be measured on the last day of such Test Period, with Consolidated EBITDA being determined for such Test Period, in each case, on a Pro Forma Basis.

"**Contingent Obligation**" shall mean, as to any Person, any obligation of such Person as a result of such Person being a general partner of any other Person, unless the underlying obligation is expressly made non-recourse as to such general partner, and any obligation of such Person guaranteeing or intended to guarantee any Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any such obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided*, *however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be

an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"**Credit Documents**" shall mean this Agreement and, after the execution and delivery thereof pursuant to the terms of this Agreement, each Note, each Subsidiaries Guaranty, each Security Document, the ABL/Term Intercreditor Agreement, any Additional Intercreditor Agreement, each Incremental Term Loan Commitment Agreement, each Refinancing Term Loan Amendment and each Extension Amendment.

"**Credit Event**" shall mean the making of any Term Loan.

"**Credit Party**" shall mean the Borrower and each Subsidiary Guarantor.

"**Customary Intercreditor Agreement**" means (a) to the extent executed in connection with the incurrence, issuance or other obtaining of secured Indebtedness the Liens on the Collateral securing such Indebtedness that are intended to rank senior in priority (in the case of ABL Priority Collateral) and junior in priority (in the case of Term Priority Collateral) to the Liens on the Collateral securing the Obligations, the ABL/Term Intercreditor Agreement, (b) to the extent executed in connection with the incurrence, issuance or other obtaining of secured Indebtedness the Liens on the Collateral securing such Indebtedness that are intended to rank equal in priority to the Liens on the Collateral securing the Obligations, a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower, which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank equal in priority to the Liens on the Collateral securing the Obligations and (c) to the extent executed in connection with the incurrence, issuance or other obtaining of secured Indebtedness the Liens on the Collateral securing such Indebtedness that are intended to rank junior to the Liens on the Collateral securing the Obligations, a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower, which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank junior to the Lien on the Collateral securing the Obligations.

"**Debtor Relief Laws**" means the Bankruptcy Code, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors or debt security holders, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, Canada or other applicable jurisdictions from time to time in effect.

"**Default**" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"**Defaulting Lender**" shall mean any Lender that (a) has failed to (i) fund all or any portion of its Term Loans within two Business Days of the date such Term Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that

such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Term Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other state, provincial or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and as of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each other Lender promptly following such determination.

"**Designated Non-Cash Consideration**" shall mean the fair market value of non-cash consideration received by the Borrower or one of its Restricted Subsidiaries in connection with a sale of assets that is so designated as Designated Non-Cash Consideration pursuant to an officers' certificate, setting forth the basis of such valuation, less the amount of cash and Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"**Disqualified Stock**" shall mean any preferred capital stock of the Borrower that is not Qualified Preferred Stock.

"**Dividend**" shall mean, with respect to any Person, that such Person has declared or paid a dividend, distribution or returned any equity capital to its stockholders, partners or members or authorized or made any other distribution, payment or delivery of property (other than common

equity of such Person) or cash to its stockholders, partners or members as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration any shares of any class of its capital stock or any partnership or membership interests outstanding on or after the Closing Date (or any options or warrants issued by such Person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes.

"**Domestic Subsidiary**" shall mean, as to any Person, any Subsidiary of such Person incorporated or organized under the laws of (i) the United States, any state thereof or the District of Columbia (a "**U.S. Subsidiary**") or (ii) Canada or any province or territory thereof (a "**Canadian Subsidiary**").

"**Effective Yield**" shall mean, as to any Term Loans of any Tranche, the effective yield on such Term Loans as determined by the Administrative Agent, taking into account the applicable interest rate margins, any interest rate floors or similar devices and all fees, including upfront or similar fees or original issue discount (amortized over the four years following the date of incurrence thereof) payable generally to Lenders making such Term Loans, but excluding any arrangement, structuring, commitment, underwriting or other fees payable in connection therewith that are not generally shared with the relevant Lenders and customary consent fees paid generally to consenting Lenders.

"**Eligible Transferee**" shall mean and include a commercial bank, an insurance company, a finance company, a financial institution, any fund that invests in loans or any other "accredited investor" (as defined in Regulation D of the Securities Act) (other than a natural person) but in any event excluding, except to the extent provided in Section 2.18 and Section 2.19, the Borrower and its Subsidiaries and Affiliates.

"**Environment**" shall mean ambient air, indoor air, surface water, groundwater, drinking water, land surface and sub-surface strata and natural resources such as wetlands, flora and fauna.

"**Environmental Claims**" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, orders, directives, claims, liens, notices of liability, noncompliance or violation, penalties, investigations and/or proceedings relating in any way to any Environmental Law or any permit or license issued, or any approval given, under any such Environmental Law (hereafter, "**Claims**"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, injunctive or other equitable relief or other actions arising out of or relating to any Environmental Law or an alleged injury or threat of injury to human health, safety or the Environment due to the presence of Hazardous Materials, including any Release or threat of Release of any Hazardous Materials.

"**Environmental Law**" shall mean any Federal, state, provincial, foreign or local statute, law, rule, regulation, by-law, restriction, ordinance, code, permit, binding guideline, agreement and rule of common law, now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order or direction,

consent decree or judgment, relating to the Environment, human health or Hazardous Materials, including, without limitation, in the United States: CERCLA; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq*.; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq*.; the Clean Air Act, 42 U.S.C. § 7401 *et seq*.; the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq*.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 *et seq*.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 *et seq*.; the Hazardous Material Transportation Act, 49 U.S.C. § 5101 *et seq*.; the Clean Water Act, 33 U.S.C. § 1251 *et seq*.; in Canada: the *Canadian Environmental Protection Act, 1999* , S.C. 1999, c. 33, the *Fisheries Act*, R.S.C., 1985, c. F-14; *Species at Risk Act*, S.C. 2002, c. 29; *Transportation of Dangerous Goods Act* , 1992, S.C. 1992, c. 34, and any state, provincial and local or foreign counterparts or equivalents, in each case as amended from time to time.

"**Equipment**" shall have the meaning provided in the Security Agreements.

"**Equity Interests**" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and, unless the context indicates otherwise, the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any successor Section thereof.

"**ERISA Affiliate** " shall mean each person (as defined in Section 3(9) of ERISA) which together with the Borrower or a Restricted Subsidiary of the Borrower would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code and solely with respect to Section 412 of the Code, Sections 414(b), (c), (m) or (o) of the Code.

"**ERISA Event** " shall mean (a) any "reportable event **,**" as defined in Section 4043 of ERISA or the regulations issued thereunder, but excluding any event for which the 30-day notice period is waived with respect to a Plan, (b) any failure to make a required contribution to any Plan that would result in the imposition of a Lien or other encumbrance or the failure to satisfy the minimum funding standards set forth in Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA, or the arising of such a Lien or encumbrance, with respect to a Plan, (c) the incurrence by the Borrower, a Restricted Subsidiary of the Borrower, or an ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal (including under Section 4062(e) of ERISA) of any of the Borrower, a Restricted Subsidiary of the Borrower, or an ERISA Affiliate from any Plan or Multiemployer Plan, (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 of ERISA, or the receipt by the Borrower, a Restricted Subsidiary of the Borrower, or an ERISA Affiliate from the PBGC or a plan administrator of any notice of intent to terminate any Plan or Multiemployer Plan or to appoint a trustee to administer any Plan, (e) the adoption of any amendment to a Plan that would require the provision of security pursuant to the Code, ERISA or other applicable law, (f) the receipt by the Borrower, a Restricted Subsidiary of the Borrower, or an ERISA Affiliate of any notice concerning statutory liability arising from the withdrawal or partial withdrawal of the

Borrower, a Restricted Subsidiary of the Borrower, or an ERISA Affiliate from a Multiemployer Plan or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, (g) the occurrence of any non-exempt "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to which the Borrower or any Restricted Subsidiary is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which the Borrower or any Restricted Subsidiary could reasonably be expected to have liability, (h) the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of any Plan or the appointment of a trustee to administer any Plan, (i) the filing of any request for or receipt of a minimum funding waiver under Section 412(c) of the Code with respect to any Plan or Multiemployer Plan, (j) a determination that any Plan is in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (k) the receipt by the Borrower, a Restricted Subsidiary of the Borrower or any ERISA Affiliate of any notice, that a Multiemployer Plan is, or is expected to be, in endangered or critical status under Section 305 of ERISA or, (l) any other extraordinary event or condition with respect to a Plan or Multiemployer Plan which could reasonably be expected to result in a Lien or any acceleration of any statutory requirement to fund all or a substantial portion of the unfunded accrued benefit liabilities of such plan.

"**Event of Default**" shall have the meaning provided in Article 10.

"**Excess Cash Flow**" shall mean, for any period, the remainder of (a) the sum of, without duplication, (i) Consolidated Net Income for such period and (ii) the decrease, if any, in Adjusted Consolidated Working Capital from the first day to the last day of such period (but excluding any such decrease in Adjusted Consolidated Working Capital arising from a Permitted Acquisition or dispositions of any Person by the Borrower and/or the Restricted Subsidiaries during such period), *minus* (b) the sum of, without duplication, (i) the aggregate amount of all Capital Expenditures made by the Borrower and its Restricted Subsidiaries during such period to the extent financed with Internally Generated Cash, (ii) without duplication of amounts deducted pursuant to clause (iii) below, the aggregate amount of all cash payments made in respect of all Permitted Acquisitions consummated by and other Investments permitted under Section 9.05 made by the Borrower and its Restricted Subsidiaries during such period, in each case to the extent financed with Internally Generated Cash, (iii) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding contracts (the "**Contract Consideration**") entered into prior to or during such period relating to Permitted Acquisitions, Investments or Capital Expenditures to be consummated or made during the period of four consecutive fiscal quarters of the Borrower following the end of such period, *provided* that to the extent the aggregate amount of Internally Generated Cash actually utilized to finance such Permitted Acquisitions, Investments or Capital Expenditures during such period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters, (iv) Dividends made in cash during such fiscal year to the extent otherwise permitted by Section 9.03 (other than Section 9.03(vii) and Section 9.03(xi)) to the extent paid for with Internally Generated Cash, (v) (A) the aggregate amount of Scheduled Repayments and other permanent principal payments of Indebtedness of the Borrower and its Restricted Subsidiaries during such period (other than voluntary prepayments of Term Loans

made pursuant to Section 4.01(a) and repayments of revolving loans under the ABL Credit Agreement or any other revolving credit facility secured by a Lien on the Collateral ranking senior or *pari passu* with the Lien on the Collateral securing the Indebtedness hereunder, in each case, to the extent accompanied by a permanent reduction in commitments therefor) in each case to the extent paid for with Internally Generated Cash and (B) prepayments and repayments of Term Loans pursuant to Sections 4.02(d) or 4.02(g) to the extent the Asset Sale or Recovery Event giving rise to such prepayment or repayment resulted in an increase to Consolidated Net Income (but not in excess of the amount of such increase), (vi) the portion of Transaction Costs and other transaction costs and expenses related to items (i)-(v) above paid in cash during such fiscal year not deducted in determining Consolidated Net Income, (vii) the increase, if any, in Adjusted Consolidated Working Capital from the first day to the last day of such period (but excluding any such increase in Adjusted Consolidated Working Capital arising from a Permitted Acquisition or disposition of any Person by the Borrower and/or the Restricted Subsidiaries), (viii) cash payments in respect of non-current liabilities to the extent made with Internally Generated Cash, (ix) the aggregate amount of expenditures actually made by the Borrower and its Restricted Subsidiaries with Internally Generated Cash during such period (including expenditures for the payment of financing fees, taxes, rent and pension and other retirement benefits) to the extent that such expenditures are not expensed during such period, (x) the aggregate amount of any premium, make-whole or penalty payments actually paid with Internally Generated Cash during such period that are required to be made in connection with any prepayment of Indebtedness and (xi) all non-cash gains to the extent included in Consolidated Net Income for such period (excluding any non-cash gains to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income in any prior period).

"**Excess Cash Flow Payment Date**" shall mean the date occurring 10 Business Days after the date on which the Borrower's annual audited financial statements are required to be delivered pursuant to Section 8.01(b) (commencing with the fiscal year of the Borrower ending May 31, 2015).

"**Excess Cash Flow Payment Period**" shall mean, with respect to any Excess Cash Flow Payment Date, the immediately preceding fiscal year of the Borrower.

"**Excluded Subsidiary**" shall mean any Subsidiary of the Borrower that is (a) a Foreign Subsidiary that is (i) a direct or indirect Subsidiary of a U.S. Subsidiary and (ii) a CFC, (b) an Unrestricted Subsidiary, (c) a FSHCO, (d) a U.S. Subsidiary of a non-U.S. Subsidiary, (e) not a Wholly-Owned Subsidiary of the Borrower or one or more of its Wholly-Owned Restricted Subsidiaries, (f) an Immaterial Subsidiary that is designated as such by the Borrower in a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent, (g) established or created pursuant to Section 9.05(xii) and meeting the requirements of the proviso thereto; *provided* that such Subsidiary shall only be an Excluded Subsidiary for the period immediately prior to such acquisition, (h) prohibited by applicable Law from guaranteeing the Facilities, or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guarantee in each case, unless, such consent, approval, license or authorization has been received, in each case so long as the Administrative Agent shall have received a certification from the Borrower's general counsel or a Responsible Officer of the Borrower as to the existence of such prohibition or consent, approval, license or authorization requirement, (i) prohibited from guaranteeing the Obligations by any contractual obligation in existence (x) on the Closing Date or (y) at the time of the acquisition of such Subsidiary after the Closing Date (to the extent such prohibition was not entered into in contemplation of such acquisition), (j) a Subsidiary with respect to which a guarantee by it of the Obligations would result in a material adverse tax consequence to the Borrower or the Restricted Subsidiaries, as reasonably determined by the Borrower in a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent, (k) a not-for-profit Subsidiary, (l) any bankruptcy remote or special purpose receivables entity that is designated as such by the Borrower in a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent, (m) **[Redacted – Name of Subsidiary]** and (n) any other Subsidiary where the Borrower and Administrative Agent reasonably agree (in writing by the Administrative Agent and confirmed by the Borrower), that the cost or other consequences (including any adverse tax consequences) of guaranteeing the Obligations shall be excessive in view of the value to be afforded thereby; *provided* that, notwithstanding the above, (x) if a Subsidiary executes the Subsidiaries Guaranty as a "Subsidiary Guarantor" then it shall not constitute an "Excluded Subsidiary" (unless released from its obligations under the Subsidiaries Guaranty as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof), (y) if a Subsidiary serves as a guarantor under (I) Refinancing Notes, Permitted Junior Debt or any other Indebtedness incurred by the Borrower or any Guarantor, in each case of this clause (I), with a principal amount in excess of the Threshold Amount or (II) the ABL Credit Agreement, then it shall not constitute an "Excluded Subsidiary" (unless released from its obligations under the Subsidiaries Guaranty as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof) and (z) no U.S. Subsidiary or Canadian Subsidiary of the Borrower existing on the Closing Date will be an Excluded Subsidiary and no U.S. Subsidiary or Canadian Subsidiary acquired or formed after the Closing Date will be an Excluded Subsidiary under clause (a), (d), (h) or (j) of this definition.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender, or any other Recipient of any payment to be made by or on account of any obligation of any Credit Party under any Credit Document, (a) Taxes imposed on (or measured by) its net income and franchise (and similar) Taxes imposed on it in lieu of income Taxes, in each case, either pursuant to the laws of the jurisdiction in which such Recipient is organized or in which the principal office or applicable lending office of such Recipient is located (or any political subdivision thereof) or that are Other Connection Taxes, (b) any branch profits Taxes under Section 884(a) of the Code, Section 219 of the ITA or any similar Tax imposed by any jurisdiction described in clause (a) above, (c) in the case of a Lender (other than an assignee pursuant to a request by the Borrower under Section 2.13), any U.S. federal or Canadian withholding Tax that (i) is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Recipient (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Credit Parties with respect to such withholding tax pursuant to Section 4.04(a) or (ii) is attributable to such Recipient's failure to comply with Section 4.04(b) or Section 4.04(c), (d) any U.S. federal withholding Taxes under FATCA, (e) any Taxes imposed on a payment by or on account of any obligation of a Credit Party under any Credit Document: (A) (i) to a Person with which the Credit Party does not deal at arm's length (for the purposes of the ITA) at the time of making such payment or (ii) in respect of a debt or other obligation to pay an amount to a Person with whom the payer is not dealing at arm's length (for the purposes of the ITA) at the time of such payment and (%5)(%5)(B) on which the Tax is imposed by reason of such non-arm's length relationship and (f) any Taxes imposed on a Recipient by reason of such Recipient: (i) being a "specified shareholder" (as defined in subsection 18(5) of the ITA) of any Credit Party, or (ii) not dealing at arm's length (for the purposes of the ITA) with a "specified shareholder" (as defined in subsection 18(5) of the ITA) of any Credit Party.

"**Existing Credit Agreement**" shall mean that certain amended and restated credit agreement dated as of March 10, 2011 among Bauer Hockey Corp., a Canadian corporation as Canadian Borrower, Bauer Hockey, Inc., a Vermont corporation as US Borrower, the other Credit Parties party thereto, GE Canada Finance Holding Company, as Canadian Agent, General Electric Capital Corporation as US agent and the financial institutions party thereto as Lenders (as amended, amended and restated, modified or supplemented from time to time prior to the Closing Date).

"**Existing Extended Term Loan Tranche**" shall have the meaning provided in Section 2.15(a).

"**Existing Incremental Term Loan Tranche**" shall have the meaning provided in Section 2.15(a).

"**Existing Indebtedness**" shall have the meaning provided in Section 9.04(vi).

"**Existing Initial Term Loan Tranche**" shall have the meaning provided in Section 2.15(a).

"**Existing Term Loan Tranche**" shall mean, at any time, any Existing Initial Term Loan Tranche, Existing Extended Term Loan Tranche or Existing Incremental Term Loan Tranche.

"**Extended Existing Term Loans**" shall have the meaning provided in Section 2.15(a).

"**Extended Incremental Term Loan Commitments**" shall mean one or more commitments hereunder to convert Extended Existing Term Loans under an Existing Extended Term Loan Tranche of a given Extension Series pursuant to an Extension Amendment.

"**Extended Incremental Term Loan Commitments**" shall mean one or more commitments hereunder to convert Incremental Term Loans under an Existing Term Loan Tranche to Extended Incremental Term Loans of a given Extension Series pursuant to an Extension Amendment.

"**Extended Incremental Term Loans**" shall have the meaning provided in Section 2.15(a).

"**Extended Initial Term Loan Commitments**" shall mean one or more commitments hereunder to convert Initial Term Loans under an Existing Initial Term Loan Tranche of a given Extension Series pursuant to an Extension Amendment.

"**Extended Initial Term Loans**" shall have the meaning provided in Section 2.15(a).

"**Extended Term Loan Commitment**" shall mean, collectively, the Extended Initial Term Loan Commitments, the Extended Incremental Term Loan Commitments, the Refinancing Term Loan Commitments or one or more commitments hereunder to convert Extended Term Loans under an Existing Term Loan Tranche of a given Extension Series pursuant to an Extension Amendment.

"**Extended Term Loan Maturity Date**" shall mean, with respect to any Tranche of Extended Term Loans, the date specified in the applicable Extension Amendment.

"**Extended Term Loans**" shall mean, collectively, the Extended Existing Term Loans, Extended Initial Term Loans, Extended Incremental Term Loans or the Refinancing Term Loans as the context may require.

"**Extending Term Loan Lender**" shall have the meaning provided in Section 2.15(b).

"**Extension**" shall mean any establishment of Extended Term Loan Commitments and Extended Term Loans pursuant to Section 2.15 and the applicable Extension Amendment.

"**Extension Amendment**" has the meaning provided in Section 2.15(c).

"**Extension Election**" has the meaning provided in Section 2.15(b).

"**Extension Request**" has the meaning provided in Section 2.15(a).

"**Extension Series**" has the meaning provided in Section 2.15(a).

"**Fair Value**" shall mean the amount at which the assets (both tangible and intangible), in their entirety, of the Borrower and its Subsidiaries taken as a whole would change hands between an independent willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion

to act.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any such amended or successor version), any intergovernmental agreement entered into in connection with the foregoing or any fiscal or regulatory legislation or rules adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"**FCPA**" shall have the meaning provided in Section 7.15(d).

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"**Fees**" shall mean all amounts payable pursuant to or referred to in Section 3.01.

"**Flood Insurance Laws**" shall mean, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

"**Foreign Asset Sale**" shall have the meaning provided in Section 4.02(k).

"**Foreign Pension Plan**" shall mean any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States or Canada by the Borrower or any one or more of its Restricted Subsidiaries primarily for the benefit of employees of the Borrower or such Restricted Subsidiaries residing outside the United States or Canada, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"**Foreign Recovery Event**" shall have the meaning provided in Section 4.02(k).

"**Foreign Subsidiaries**" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**FSHCO**" shall mean any U.S. Subsidiary that has no material assets other than the Equity Interests in one or more CFCs.

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

"**GAAP**" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) which are applicable to the circumstances as of the date of determination.

"**Governmental Authority**" shall mean the government of the United States of America, Canada, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, for the avoidance of doubt, any supra-national bodies such as the European Union or the European Central Bank).

"**Guaranteed Creditors**" shall mean and include each of the Administrative Agent, the Collateral Agent and the Lenders.

"**Guaranteed Obligations**" shall mean (i) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of the unpaid principal and interest on each Note issued by, and all Term Loans made to, the Borrower under this Agreement, together with all the other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any other Debtor Relief Law, would become due), indebtedness and liabilities (including, without limitation, indemnities, fees and interest (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for herein, whether or not such interest is an allowed or allowable claim in any such proceeding) thereon) of the Borrower to the Lenders, the Administrative Agent and the Collateral Agent now existing or hereafter incurred under, arising out of or in connection with this Agreement and each other Credit Document (other than the ABL/Term Intercreditor Agreement) to which the Borrower is a party and the due performance and compliance by the Borrower with all the terms, conditions and agreements contained in this Agreement and in each such other Credit Document (other than the ABL/Term Intercreditor Agreement).

"**Hazardous Materials**" shall mean (a) any petroleum or petroleum products or byproducts, hydrocarbons, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; (b) any chemicals, materials, substances or wastes defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material, substance or waste regulated or for which liability may arise under any Environmental Law.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002; *provided*, that the Borrower may elect by written notice to the Agents that its financial statements be prepared and maintained in accordance with GAAP and, in such event, "IFRS" shall mean GAAP as in effect from time to time; *provided*, *further*, that the Borrower may elect by written notice to the Agents that its financial statements be prepared and maintained in accordance with Canadian GAAP and, in such event, "IFRS" shall mean Canadian GAAP as in effect from time to time; *provided*, *further*, that determinations made pursuant to this Agreement in accordance with IFRS are subject, to the extent provided therein, to Section 12.07(a).

"**Immaterial Subsidiary**" shall mean any Subsidiary of the Borrower that, as of the date of the most recent financial statements required to be delivered pursuant to Section 8.01(a) or (b), does not have, individually or in the aggregate when taken together with all other such Immaterial Subsidiaries, (a) assets in excess of 5% of Consolidated Total Assets or (b) revenues for the period of four consecutive fiscal quarters ending on such date in excess of 5% of the combined revenues of the Borrower and the Restricted Subsidiaries for such period.

"**Incremental Term Loan**" shall have the meaning provided in Section 2.01(a).

"**Incremental Term Loan Borrowing Date**" shall mean, with respect to each Tranche of Incremental Term Loans, each date on which Incremental Term Loans of such Tranche are incurred pursuant to Section 2.01(a), which date shall be the date of the effectiveness of the respective Incremental Term Loan Commitment Agreement pursuant to which such Incremental Term Loans are to be made.

"**Incremental Term Loan Commitment**" shall mean, for each Lender, any commitment to make Incremental Term Loans provided by such Lender pursuant to Section 2.16 on a given Incremental Term Loan Borrowing Date, in such amount as agreed to by such Lender in the Incremental Term Loan Commitment Agreement delivered pursuant to Section 2.16, as the same may be terminated pursuant to Sections 3.02 and/or Article 10.

"**Incremental Term Loan Commitment Agreement**" shall mean each Incremental Term Loan Commitment Agreement in the form of Exhibit L (appropriately completed and with such modifications (not inconsistent with Section 2.16 or the other relevant provisions of this Agreement) as may be approved by the Administrative Agent) executed in accordance with Section 2.16.

"**Incremental Term Loan Conditions**" shall mean, with respect to any provision of an Incremental Term Loan Commitment on a given Incremental Term Loan Borrowing Date, the satisfaction of each of the following conditions: (a) no Default or Event of Default then exists or would result therefrom; (b) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the Incremental Term Loan Borrowing Date (it being understood and agreed that (x) any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date and (y) any representation or warranty that is qualified as to "**materiality,**" "**Material Adverse Effect**" or similar language shall be true and correct in all respects on such date), except in the case of any Incremental Term Loan to finance a Permitted Acquisition, in which case the

requirements of this clause (b) shall be limited to the Specified Representations; (c) the delivery by the relevant Credit Parties of such technical amendments, modifications and/or supplements to the respective Security Documents as are reasonably requested by the Administrative Agent to ensure that the additional Obligations to be incurred pursuant to the Incremental Term Loan Commitments are secured by, and entitled to the benefits of, the relevant Security Documents, and each of the Lenders hereby agrees to, and authorizes the Collateral Agent to enter into, any such technical amendments, modifications or supplements; (d) the delivery by the Borrower, to the Administrative Agent of an officer's certificate executed by a Responsible Officer certifying as to compliance with preceding clauses (a) and (b); and (e) the satisfaction of all other conditions precedent that may be set forth in the respective Incremental Term Loan Commitment Agreement.

"**Incremental Term Loan Lender**" shall have the meaning provided in Section 2.16(b).

"**Incremental Term Note**" shall have the meaning provided in Section 2.05(a).

"**Indebtedness**" shall mean, as to any Person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such Person (A) for borrowed money or (B) for the deferred purchase price of property or services, (ii) the maximum amount available to be drawn under all letters of credit, bankers' acceptances and similar obligations issued for the account of such Person and all unpaid drawings in respect of such letters of credit, bankers' acceptances and similar obligations, (iii) all Indebtedness of the types described in clause (i), (ii), (iv), (v), (vi), (vii) or (viii) of this definition secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person (*provided* that, if the Person has not assumed or otherwise become liable in respect of such Indebtedness, such Indebtedness shall be deemed to be in an amount equal to the lesser of (x) the aggregate unpaid amount of Indebtedness secured by such Lien and (y) the fair market value of the property to which such Lien relates as determined in good faith by such Person), (iv) the aggregate amount of all Capitalized Lease Obligations of such Person, (v) all Contingent Obligations of such Person, (vi) all net obligations under any Swap Contracts and any Bank Product Debt or under any similar type of agreement, (vii) all Off-Balance Sheet Liabilities of such Person and (viii) all obligations in respect of Disqualified Stock. Notwithstanding the foregoing, Indebtedness shall not include (a) trade payables and accrued expenses incurred by any Person in accordance with customary practices and in the ordinary course of business of such Person or (b) earn-outs and other contingent payments in respect of acquisitions except to the extent that the liability on account of any such earn-outs or contingent payment becomes fixed and is required by IFRS to be reflected as a liability on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries.

"**Indemnified Person**" shall have the meaning provided in Section 12.01.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Credit Parties under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Ineligible Transferee**" shall mean (i) certain Persons identified as "Disqualified Lenders" in writing to the Administrative Agent by the Borrower on or prior to the date of this Agreement and (ii) operating companies which are bona fide competitors of the Borrower and such competitors'

subsidiaries and controlling equity holders (other than Bona Fide Debt Funds) as may be identified by name in writing to the Administrative Agent prior to the date of this Agreement or following the Syndication Date (but only with the consent of the Administrative Agent, not to be unreasonably withheld), by delivery of notice to the Administrative Agent setting forth such person or persons.

"**Insolvent**" shall mean (i) the fair value of such Person's assets is less than the amount that will be required to pay the total liability on such Person's existing debts as they become absolute and matured, (ii) the present fair salable value of such Person's assets is less than the amount that will be required to pay the probable liability on such Person's existing debts as they become absolute and matured, (iii) such Person is unable to meet its obligations as they generally become due, (iv) such Person ceases to pay its current obligations in the ordinary course of business as they generally become due, or (v) such Person's aggregate property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be, sufficient to enable payment of all obligations, due and accruing due. The term "debts" as used in this definition includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent (to the extent any such contingent liabilities are reasonably anticipated to become due and matured), and the term "values of assets" shall mean the amount of which the assets (both tangible and intangible) in their entirety would change hands between a willing buyer and a willing seller, with a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under compulsion to act.

"**Initial Incremental Term Loan Maturity Date**" shall mean, for any Tranche of Incremental Term Loans, the final maturity date set forth for such Tranche of Incremental Term Loans in the Incremental Term Loan Commitment Agreement relating thereto, *provided* that the initial final maturity date for all Incremental Term Loans of a given Tranche shall be the same date.

"**Initial Maturity Date for Initial Term Loans**" shall mean April 15, 2021.

"**Initial Term Loan**" shall mean the Term Loans made on the Closing Date pursuant to Section 2.01(a).

"**Initial Term Loan Commitment**" shall mean, for each Lender, the amount set forth opposite such Lender's name in Schedule 1.01(b) directly below the column entitled "Initial Term Loan Commitment**,**" as the same may be terminated pursuant to Sections 3.02 and/or Article 10.

"**Initial Term Note**" shall have the meaning provided in Section 2.05(a).

"**Intellectual Property**" shall have the meaning provided in Section 7.19.

"**Interest Determination Date**" shall mean, with respect to any LIBO Rate Term Loan, the second Business Day prior to the commencement of any Interest Period relating to such LIBO Rate Term Loan.

"**Interest Expense**" shall mean the aggregate consolidated interest expense (net of interest income) of the Borrower and its Restricted Subsidiaries in respect of Indebtedness determined on a consolidated basis in accordance with IFRS, including amortization or original issue discount on

any Indebtedness and amortization of all fees payable in connection with the incurrence of such Indebtedness, including, without limitation, the interest portion of any deferred payment obligation and the interest component of any Capitalized Lease Obligations, and, to the extent not included in such interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities.

"**Interest Period**" shall have the meaning provided in Section 2.09.

"**Internally Generated Cash**" shall mean cash generated from the Borrower and its Restricted Subsidiaries' operations and not representing (i) a reinvestment by the Borrower or any Restricted Subsidiaries of the Net Sale Proceeds of any Asset Sale or Net Recovery Event Proceeds of any Recovery Event, (ii) the proceeds of any issuance of any Equity Interests or any Indebtedness (other than drawings under the ABL Facility or any other revolving credit facility) of the Borrower or any Restricted Subsidiary or (iii) any credit received by the Borrower or any Restricted Subsidiary with respect to any trade in of property for substantially similar property or any "like kind exchange" of assets.

"**Investments**" shall have the meaning provided in Section 9.05.

"**ITA**" shall mean the Income Tax Act (Canada), as amended from time to time.

"**Joint Lead Arrangers**" shall have the meaning provided in the first paragraph to this Agreement.

"**Joint Venture**" shall mean any Person other than an individual or a Subsidiary of the Borrower (i) in which the Borrower or any of its Restricted Subsidiaries holds or acquires an ownership interest (by way of ownership of Equity Interests or other evidence of ownership) and (ii) which is engaged in a business permitted by Section 9.09.

"**Junior Representative**" shall mean, with respect to any series of Permitted Junior Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Permitted Junior Debt is issued, incurred or otherwise obtained and each of their successors in such capacities.

"**Latest Maturity Date**" means at any time, the latest Maturity Date applicable to any Term Loan or Commitment (or, if so specified, applicable to the specified Term Loans or Commitments or the Class thereof) hereunder at such time.

"**Lender**" shall mean each financial institution listed on Schedule 1.01(b) as well as any Person that becomes a "Lender" hereunder pursuant to Section 2.14, Section 2.16, Section 2.17, Section 12.04(b).

"**Leverage Step-Down Trigger**" shall mean that as a result of the application of the proceeds of a sale or issuance of Equity Interests of the Borrower (including through cash netting to the extent permitted pursuant to the definition of "Consolidated Total Net Leverage Ratio"), the Borrower's

Consolidated Total Net Leverage Ratio as of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), prior to such sale or issuance (on a Pro Forma Basis) is no higher than 4.25:1.00.

"**LIBO Rate**" shall mean, (i) for any Interest Period, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, on the applicable Interest Determination Date, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; *provided,* that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice and, with respect to the Borrower, other similarly situated borrowers; *provided, further* that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and with determinations for other similarly situated borrowers; and (ii) for any interest rate calculation with respect to a Base Rate Term Loan on any date, the rate per annum equal to the LIBO Rate, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for Dollar deposits being delivered in the London interbank market for deposits in Dollars with a term of one (1) month commencing that day. Notwithstanding any of the foregoing, the LIBO Rate shall not at any time be less than 1.00% per annum (the "**LIBO Rate Floor**").

"**LIBO Rate Term Loan**" shall mean each Term Loan designated as such by the Borrower at the time of the incurrence thereof or conversion thereto.

"**Lien**" shall mean any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, encumbrance, hypothec, deemed or statutory trust, security conveyance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, and any lease having substantially the same effect as any of the foregoing).

"**Location**" of any Person shall mean such Person's "location" as determined pursuant to Section 9-307 of the Uniform Commercial Code of the State of New York or the PPSA, as applicable.

[Redacted – Definition Regarding Intercompany Arrangements].

[Redacted – Definition Regarding Intercompany Arrangements].

"**Majority Lenders**" of any Tranche shall mean those Non-Defaulting Lenders which would constitute the Required Lenders under, and as defined in, this Agreement if all outstanding Obligations of the other Tranches under this Agreement were repaid in full and all Commitments with respect thereto were terminated.

"**Margin Stock**" shall have the meaning provided in Regulation U.

"**Material Adverse Effect**" shall mean (a) on or prior to the Closing Date, a Company Material Adverse Effect and (b) after the Closing Date (i) a material adverse effect on the assets, business, operations, liabilities or financial condition of the Borrower and its Restricted Subsidiaries taken as a whole or (ii) a material adverse effect (x) on the material rights or remedies of the Lenders or the Administrative Agent hereunder or under any other Credit Document or (y) on the ability of the Credit Parties, taken as a whole, to perform their payment obligations to the Lenders or the Administrative Agent hereunder or under any other Credit Document.

"**Material Real Property**" shall mean each parcel of Real Property that is now or hereafter owned in fee by any Credit Party that (together with any other parcels constituting a single site or operating property) has a fair market value (as determined by the Borrower in good faith) of at least $5,000,000.

"**Maturity Date**" shall mean (a) with respect to any Initial Term Loans that have not been extended pursuant to Section 2.15, the Initial Maturity Date for Initial Term Loans, (b) with respect to any Incremental Term Loans that have not been extended pursuant to Section 2.15, the Initial Incremental Term Loan Maturity Date applicable thereto and (c) with respect to any Tranche of Extended Term Loans or Extended Term Loan Commitments, the Extended Term Loan Maturity Date applicable thereto.

"**Minimum Borrowing Amount**" shall mean $1,000,000.

"**Moody's**" shall mean Moody's Investors Service, Inc.

"**Mortgage**" shall mean a mortgage, debenture, leasehold mortgage, deed of trust, deed of immovable hypothec, leasehold deed of trust, deed to secure debt, leasehold deed to secure debt or similar security instrument in form and substance reasonably satisfactory to the Administrative Agent, in favor of the Collateral Agent for the benefit of the Secured Creditors.

"**Mortgage Collateral Requirement**" shall have the meaning provided in Section 8.11(a).

"**Mortgaged Property**" shall mean any Material Real Property of the Borrower or any of its Restricted Subsidiaries that will be encumbered (or required to be encumbered) by a Mortgage.

"**Multiemployer Plan**" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA under which the Borrower or a Restricted Subsidiary of the Borrower has any obligation or liability, including on account of an ERISA Affiliate.

"**NAIC**" shall mean the National Association of Insurance Commissioners.

"**Net Debt Proceeds**" shall mean, with respect to any incurrence of Indebtedness for borrowed money, the gross cash proceeds (net of underwriting discounts and commissions and other reasonable costs associated therewith) received by the respective Person from such incurrence.

"**Net Equity Proceeds**" shall mean, with respect to any issuance of Equity Interests of the Borrower, the gross cash proceeds (net of underwriting discounts and commissions and other reasonable costs associated therewith) received by the Borrower from such issuance.

"**Net Recovery Event Proceeds**" shall mean, with respect to any Recovery Event, an amount in cash equal to the gross cash proceeds (net of reasonable costs and any taxes incurred in connection with such Recovery Event) received by the respective Person in connection with such Recovery Event.

"**Net Sale Proceeds**" shall mean, with respect to any Asset Sale (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-Cash Consideration received in any Asset Sale), an amount in cash equal to the gross cash proceeds (including any cash received by way of deferred payment pursuant to a promissory note, receivable or otherwise, but only as and when received) received from such sale of assets, net of the reasonable costs of, and expenses associated with, such sale (including fees and commissions, payments of unassumed liabilities relating to the assets sold and required payments of any Indebtedness or other obligations (other than Indebtedness secured pursuant to the Security Documents) which is secured by the assets which were sold), and the incremental taxes paid or payable as a result of such Asset Sale.

"**Non-Consenting Lender**" shall have the meaning provided in Section 12.11(b).

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender.

"**Note**" shall mean each Initial Term Note and Incremental Term Note, as applicable.

"**Notice of Borrowing**" shall have the meaning provided in Section 2.03.

"**Notice of Conversion/Continuation**" shall have the meaning provided in Section 2.06(a).

"**Notice Office**" means the address for notices set forth on Schedule 2.03.

"**Obligations**" shall mean all now existing or hereafter arising debts, obligations, covenants, and duties of payment or performance of every kind, matured or unmatured, direct or contingent, owing, arising, due, or payable to any Lender, Agent or Indemnified Person by any Credit Party arising out of this Agreement or any other Credit Document (other than the ABL/Term Intercreditor

Agreement), including, without limitation, all obligations to repay principal or interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Term Loans, and to pay interest, fees, costs, charges, expenses, professional fees, and all sums chargeable to the Borrower or for which the Borrower is liable as indemnitor under the Credit Documents, whether or not evidenced by any note or other instrument.

"**OFAC**" shall have the meaning provided in Section 7.15(b).

"**Off-Balance Sheet Liabilities**" of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any Sale-Leaseback Transactions that do not create a liability on the balance sheet of such Person, (iii) any obligation under a Synthetic Lease or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

"**Open Market Purchase**" shall have the meaning provided in Section 2.19(a).

"**Other Connection Taxes**" shall mean, with respect to any Recipient, Taxes that are imposed as a result of any present or former connection between such Recipient and the jurisdiction imposing such Tax (other than a connection arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Term Loan or Credit Document).

"**Other Taxes**" shall mean any and all present or future stamp, court or documentary, intangible, recording, filing or property Taxes or similar Taxes arising from any payment made under, from the execution, delivery, registration, performance or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.13).

"**Participant**" shall have the meaning provided in Section 12.04(d).

"**Participant Register**" shall have the meaning provided in Section 12.04(d).

"**Patriot Act**" shall have the meaning provided in Section 12.15.

"**Payment Office**" shall mean the office of the Administrative Agent specified on Schedule 1.01(c) or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"**Permitted Acquisition**" shall mean the acquisition by the Borrower or any of its Restricted Subsidiaries of an Acquired Entity or Business; *provided* that (in each case) all applicable requirements of Section 8.13 are satisfied.

"**Permitted Encumbrance**" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the mortgage title insurance policy delivered with respect thereto, all of which exceptions must be acceptable to the Administrative Agent in its reasonable discretion.

"**Permitted Junior Credit Documents**" shall mean, after the execution and delivery thereof, each agreement, document or instrument relating to the incurrence of Permitted Junior Loans, in each case as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"**Permitted Junior Debt**" shall mean and include (i) any Permitted Junior Notes, (ii) any Permitted Junior Loans and (iii) any Refinancing Notes that are not secured on a *pari passu* basis with the Term Loans and, for the avoidance of doubt, shall exclude **[Redacted – Intercompany Obligations]** .

"**Permitted Junior Debt Documents**" shall mean and include the Permitted Junior Notes Documents and the Permitted Junior Credit Documents.

"**Permitted Junior Loans**" shall mean any Indebtedness of the Borrower or any Restricted Subsidiary in the form of unsecured or secured loans; *provided* that in any event, unless the Required Lenders otherwise expressly consent in writing prior to the issuance thereof, (i) except as provided in clause (v) below, no such Indebtedness shall be secured by any asset of the Borrower or any of its Subsidiaries, except that such Indebtedness, if incurred by a non-Credit Party may be secured by the assets of such non-Credit Party and other non-Credit Parties, (ii) no such Indebtedness shall be guaranteed by any Person other than the Borrower or a Subsidiary Guarantor, except that such Indebtedness if incurred by a non-Credit Party may be guaranteed by other non-Credit Parties (and not by a Credit Party except as otherwise permitted under Section 9.05(vi)), (iii) no such Indebtedness shall be subject to scheduled amortization or have a final maturity, in either case prior to the date

occurring ninety-one (91) days following the then Latest Maturity Date, (iv) any "asset sale" mandatory prepayment provision or offer to prepay covenant included in the agreement governing such Indebtedness, to the extent incurred by any Credit Party, shall provide that the Borrower or the respective Subsidiary shall be permitted to repay obligations, and terminate commitments, under this Agreement before prepaying or offering to prepay such Indebtedness, (v) in the case of any such Indebtedness incurred by a Credit Party that is secured (a) such Indebtedness is secured by only assets comprising Collateral (as defined in the Security Documents) on a junior-lien basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of the Borrower or any of its Subsidiaries other than the Collateral (as defined in the Security Documents), (b) such Indebtedness (and the Liens securing the same) are permitted by the terms of the Additional Intercreditor Agreement (to the extent the Additional Intercreditor Agreement is then in effect), (c) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent) and (d) a Junior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Additional Intercreditor Agreement; *provided* that if such Indebtedness is the initial incurrence of Permitted Junior Debt that is secured by assets of the Borrower or any other Credit Party, then the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Collateral Agent and the Junior Representative for such Indebtedness shall have executed and delivered the Additional Intercreditor Agreement and (vi) the covenants and events of default, taken as a whole, shall be no more onerous in any material respect than the related provisions contained in this Agreement; *provided* that (x) any such terms may be more onerous to the extent they take effect after the Latest Maturity Date and (y) in the event that any agreement evidencing such Indebtedness contains financial maintenance covenants, this Agreement shall be amended in a manner reasonably acceptable to the Administrative Agent to add any such financial covenants as are not then contained in this Agreement, and the financial covenants in such other Indebtedness shall be set back from any financial covenants in this Agreement by at least 10% or such lesser cushion as may be acceptable to the Administrative Agent (*provided* that a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent in good faith at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (vi), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to the Borrower of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)). The incurrence of Permitted Junior Loans shall be deemed to be a representation and warranty by the Borrower that all conditions thereto have been satisfied in all material respects and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Articles 6 and 10.

"**Permitted Junior Notes**" shall mean any Indebtedness of the Borrower or any Restricted Subsidiary evidenced by senior or subordinated notes and incurred pursuant to

one or more issuances of such senior or subordinated notes; *provided* that in any event, unless the Required Lenders otherwise expressly consent in writing prior to the issuance thereof, (i) except as provided in clause (viii) below, no such Indebtedness shall be secured by any asset of the Borrower or any of its Subsidiaries, except that such Indebtedness if incurred by a non-Credit Party may be secured by the assets of such non-Credit Party and other non-Credit Parties, (ii) no such Indebtedness shall be guaranteed by any Person other than the Borrower or any Subsidiary Guarantor except that such Indebtedness if incurred by a non-Credit Party may be guaranteed by other non-Credit Parties (and not by a Credit Party except as otherwise permitted under Section 9.05(vi)), (iii) no such Indebtedness shall be subject to scheduled amortization or have a final maturity, in either case prior to the date occurring ninety-one (91) days following the then Latest Maturity Date, (iv) any "asset sale" offer to purchase covenant included in the indenture governing such Indebtedness, to the extent incurred by any Credit Party, shall provide that the Borrower or the respective Subsidiary shall be permitted to repay obligations, and terminate commitments, under this Agreement before offering to purchase such Indebtedness, (v) (A) the covenants and events of default, taken as a whole, shall be customary for the type of Indebtedness issued and in no event more onerous in any material respect than the related provisions of this Agreement, (B) the indenture governing such Indebtedness shall not include any financial maintenance covenants and (C) the "default to other indebtedness" event of default contained in the indenture governing such Indebtedness shall provide for a "cross-acceleration" rather than a "cross-default" and (vi) in the case of any such Indebtedness incurred by a Credit Party that is secured (a) such Indebtedness is secured by only assets comprising Collateral (as defined in the Security Documents) on a junior-lien basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of the Borrower or any of its Subsidiaries other than the Collateral (as defined in the Security Documents), (b) such Indebtedness (and the Liens securing the same) are permitted by the terms of the Additional Intercreditor Agreement (to the extent the Additional Intercreditor Agreement is then in effect), (c) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent) and (d) a Junior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Additional Intercreditor Agreement; *provided* that if such Indebtedness is the initial incurrence of Permitted Junior Debt that is secured by assets of the Borrower or any other Credit Party, then the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Collateral Agent and the Junior Representative for such Indebtedness shall have executed and delivered the Additional Intercreditor Agreement. The issuance of Permitted Junior Notes shall be deemed to be a representation and warranty by the Borrower that all conditions thereto have been satisfied in all material respects and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Articles 6 and 10.

"**Permitted Junior Notes Documents**" shall mean, after the execution and delivery thereof, each Permitted Junior Notes Indenture, and the Permitted Junior Notes, in each case as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"**Permitted Junior Notes Indenture**" shall mean any indenture or similar agreement entered into in connection with the issuance of Permitted Junior Notes, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"**Permitted Liens**" shall have the meaning provided in Section 9.01.

"**Permitted Refinancing**" means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; *provided* that (i) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to any unpaid accrued interest, premium or other reasonable amount paid, mortgage recording taxes, title insurance premiums and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension; (ii) except in the case of Indebtedness permitted pursuant to Section 9.04(iii), such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or longer than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended; (iii) if the Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Obligations on terms at least as favorable, taken as a whole, to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended; (iv) at the time thereof, no Default or Event of Default shall have occurred and be continuing; (v) if such Indebtedness being modified, refinanced, refunded, renewed or extended is secured, (A) except in the case of Indebtedness permitted pursuant to Section 9.04(iii), the terms and conditions relating to collateral of any such modified, refinanced, refunded, renewed or extended Indebtedness, taken as a whole, are not materially less favorable to the Credit Parties or the Lenders than the terms and conditions with respect to the collateral for the Indebtedness being modified, refinanced, refunded, renewed or extended, taken as a whole and the Liens on any Collateral securing any such modified, refinanced, refunded, renewed or extended Indebtedness shall have the same (or lesser) priority as the Indebtedness being modified, refinanced, refunded, renewed or extended relative to the Liens on the Collateral securing the Obligations and (B) a Senior Representative or Junior Representative thereof, as applicable, on behalf of the holders of such Indebtedness shall have entered into with the Administrative Agent and/or the Collateral Agent an applicable Customary Intercreditor Agreement; (vi) except in the case of Indebtedness permitted pursuant to Section 9.04(iii), the terms and conditions (excluding any subordination, pricing, fees, rate floors, discounts, premiums and optional prepayment or redemption terms) of any such modified, refinanced, refunded, renewed or extended Indebtedness, taken as a whole, shall not be materially less favorable to the Credit Parties than the Indebtedness being modified, refinanced, refunded, renewed or extended, except for covenants or other provisions applicable only to periods after the Latest Maturity Date; and (vii) such modification, refinancing, refunding, renewal or extension is incurred by the Person who is the obligor on the Indebtedness being modified,

refinanced, refunded, renewed or extended and/or one or more Credit Parties.

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"**Plan**" shall mean any pension plan as defined in Section 3(2) of ERISA other than a Foreign Pension Plan, a Canadian Employee Plan, a Canadian Statutory Plan or a Multiemployer Plan, which is maintained or contributed to by (or to which there is an obligation to contribute of) the Borrower or a Restricted Subsidiary of the Borrower or with respect to which the Borrower, a Restricted Subsidiary of the Borrower has, or may have, any liability.

"**Platform**" shall have the meaning provided in Section 8.01.

"**Pledge Agreements**" shall have the meaning provided in Section 5.08.

"**Pledge Agreement Collateral**" shall mean all of the "Collateral" as defined in the Pledge Agreements and all other Equity Interests or other property similar to that pledged (or purported to have been pledged) pursuant to the Pledge Agreements and which is pledged (or purported to be pledged) pursuant to one or more Additional Security Documents.

"**Pledgee**" shall have the meaning provided in the applicable Pledge Agreement.

"**PPSA**" means the Personal Property Security Act (Ontario); *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any security interest or hypothec in any Collateral is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction or the Civil Code of Quebec, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Pro Forma Basis**" shall mean, in connection with any calculation of compliance with any financial term, the calculation thereof after giving effect on a pro forma basis to (w) the incurrence of any Indebtedness (other than revolving Indebtedness, except to the extent same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition) after the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) as if such Indebtedness had been incurred (and the proceeds thereof applied) on the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), (x) the permanent repayment of any Indebtedness (other than revolving Indebtedness except to the extent accompanied by a corresponding permanent commitment reduction) after the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most

recently ended for which financial statements have been delivered) as if such Indebtedness had been retired or redeemed on the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), (y) any disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of any Subsidiary of the Borrower or of the Equity Interests of any Subsidiary of the Borrower and/or (z) the Acquisition or the Permitted Acquisition, if any, then being consummated as well as any other Permitted Acquisition consummated after the first day of the Test Period most recently ended prior to the date of any such Permitted Acquisition (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) and on or prior to the date of the Acquisition or the Permitted Acquisition then being effected, as the case may be, with the following rules to apply in connection therewith:

(i) all Indebtedness (x) (other than revolving Indebtedness, except to the extent same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition) incurred or issued after the first day of the relevant Test Period (whether incurred to finance the Acquisition or a Permitted Acquisition, to refinance Indebtedness or otherwise) shall be deemed to have been incurred or issued (and the proceeds thereof applied) on the first day of the respective Test Period and remain outstanding through the date of determination and (y) (other than revolving Indebtedness except to the extent accompanied by a corresponding permanent commitment reduction) permanently retired or redeemed after the first day of the relevant Test Period shall be deemed to have been retired or redeemed on the first day of the respective Test Period and remain retired through the date of determination;

(ii) all Indebtedness assumed to be outstanding pursuant to preceding clause (i) shall be deemed to have borne interest at (x) the rate applicable thereto, in the case of fixed rate indebtedness, or (y) at the rate which would have been applicable thereto on the last day of the respective Test Period, in the case of floating rate Indebtedness (although Interest Expense with respect to any Indebtedness for periods while same was actually outstanding during the respective period shall be calculated using the actual rates applicable thereto while same was actually outstanding);

(iii) in making any determination of Consolidated EBITDA, pro forma effect shall be given to any disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of the Borrower or any Restricted Subsidiary of the Borrower or of the Equity Interests of any Subsidiary of the Borrower consummated during the periods described above, with such Consolidated EBITDA to be determined as if such disposition (or the relevant portion thereof) was consummated on the first day of the relevant Test Period. Pro forma calculations for any fiscal period ending on or prior to the first anniversary of a disposition of assets constituting a business, division, product line, manufacturing

facility or distribution facility of the Borrower or any Restricted Subsidiary of the Borrower or of the Equity Interests of any Subsidiary of the Borrower may offset operating expense reductions or other operating improvements or synergies reasonably expected to result from a disposition (less the amount of costs reasonably expected to be incurred by the Borrower and its Restricted Subsidiaries to achieve such cost savings) against reductions in Consolidated EBITDA attributable to such a disposition, to the extent that the Borrower delivers to the Administrative Agent, (i) a certificate of the Chief Financial Officer of the Borrower setting forth such operating expense reductions and the costs to achieve such reductions and (ii) information and calculations supporting in reasonable detail such estimated operating expense reductions and the costs to achieve such reductions; *provided* that any increase in Consolidated EBITDA as a result of cost savings, operating expense reductions, other operating improvements and synergies shall be subject to the limitations set forth in the definition of Consolidated EBITDA; and

(iv) in making any determination of Consolidated EBITDA, pro forma effect shall be given to any Permitted Acquisition consummated during the periods described above (excluding that portion of the assets or business acquired pursuant to any Permitted Acquisition which has been sold or disposed of thereafter and prior to the date of the respective determination), with such Consolidated EBITDA to be determined as if such Permitted Acquisition (or the relevant portion thereof) was consummated on the first day of the relevant Test Period. Pro forma calculations for any fiscal period ending on or prior to the first anniversary of a Permitted Acquisition may include adjustments to reflect operating expense reductions or other operating improvements or synergies reasonably expected to result from such Permitted Acquisition, less the amount of costs reasonably expected to be incurred by the Borrower and its Restricted Subsidiaries to achieve such cost savings, to the extent that the Borrower delivers to the Administrative Agent, (i) a certificate of the Chief Financial Officer of the Borrower setting forth such operating expense reductions and the costs to achieve such reductions and (ii) information and calculations supporting in reasonable detail such estimated operating expense reductions and the costs to achieve such reductions; *provided* that any increase in Consolidated EBITDA as a result of cost savings, operating expense reductions, other operating improvements and synergies shall be subject to the limitations set forth in the definition of Consolidated EBITDA.

For purposes of this definition, if any Indebtedness bears a floating rate of interest and is being calculated on a Pro Forma Basis, the interest on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any hedging obligations applicable to such Indebtedness if such hedging obligations have a remaining term in excess of 12 months as of the Calculation Date). For purposes of this definition, interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred

to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis will be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, will be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate.

"**Projections**" shall mean the detailed projected consolidated financial statements of the Borrower and its Subsidiaries (after giving effect to the Transaction) delivered to the Administrative Agent on or prior to the Closing Date.

"**Public Lender**" shall have the meaning provided in Section 8.01.

"**Qualified Preferred Stock**" shall mean any preferred capital stock of the Borrower so long as the terms of any such preferred capital stock (x) do not contain any mandatory put, redemption, repayment, sinking fund or other similar provision prior to July 15, 2021, or, if later, the 91st day after the then Latest Maturity Date then in effect other than (i) provisions requiring payment solely in the form of common Equity Interests of the Borrower or Qualified Preferred Stock, (ii) provisions requiring payment solely as a result of a change of control or asset sale, so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale are subject to the payment in full of all Obligations in cash (other than unasserted contingent indemnification obligations) unless such payment is otherwise permitted by this Agreement (including as a result of a waiver or amendment hereunder)) and (iii) with respect to preferred capital stock issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, provisions requiring the repurchase thereof in order to satisfy applicable statutory or regulatory obligations and (y) do not require the cash payment of dividends or distributions at any time that such cash payment is not permitted under this Agreement or would result in a Default or Event of Default hereunder.

"**Quarterly Payment Date**" shall mean the last Business Day of each August, November, February and May occurring after the Closing Date, commencing on the last Business Day of August 2014.

"**Real Property**" of any Person shall mean, collectively, the right, title and interest of such Person (including any leasehold, mineral or other estate) in and to any and all land, improvements and fixtures owned, leased or operated by such Person, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"**Recipient**" means (a) the Administrative Agent and (b) any Lender, as applicable.

"**Recovery Event**" shall mean the receipt by the Borrower or any of its Restricted Subsidiaries of any cash insurance proceeds or condemnation awards payable (i) by reason

of theft, loss, physical destruction, damage, taking or any other similar event with respect to any property or assets constituting Term Priority Collateral of the Borrower or any of its Restricted Subsidiaries (but not by reason of any loss of revenues or interruption of business or operations caused thereby) and (ii) under any policy of insurance required to be maintained under Section 8.03 in respect of Term Priority Collateral, in each case to the extent such proceeds or awards do not constitute reimbursement or compensation for amounts previously paid by the Borrower or any of its Restricted Subsidiaries in respect of any such event.

"**Refinancing**" shall mean the repayment of all of the outstanding indebtedness (and termination of all commitments) under the Existing Credit Agreement as provided in Section 5.05.

"**Refinancing Effective Date**" shall have the meaning specified in Section 2.17(a).

"**Refinancing Note Documents**" shall mean the Refinancing Notes, the Refinancing Notes Indenture and all other documents executed and delivered with respect to the Refinancing Notes or Refinancing Notes Indenture, as in effect on Refinancing Effective Date and as the same may be amended, modified and/or supplemented from time to time in accordance with the terms hereof and thereof.

"**Refinancing Note Holder**" shall have the meaning provided in Section 2.17(b).

"**Refinancing Notes**" shall have the meaning provided in Section 2.17(a).

"**Refinancing Notes Indenture**" shall mean the indenture entered into with respect to the Refinancing Notes and pursuant to which same shall be issued.

"**Refinancing Term Loan Commitments**" shall mean one or more commitments hereunder to convert Initial Term Loans or Incremental Term Loans under an Existing Initial Term Loan Tranche or Existing Incremental Term Loan Tranche into a new Tranche of Refinancing Term Loans or Refinancing Term Loans under an existing Tranche of Refinancing Term Loans.

"**Refinancing Term Loan Lender**" shall have the meaning specified in Section 2.17(b).

"**Refinancing Term Loan Amendment**" shall have the meaning specified in Section 2.17(b).

"**Refinancing Term Loan Series**" shall have the meaning specified in Section 2.17(b).

"**Refinancing Term Loans**" shall have the meaning specified in Section 2.17(a).

"**Register**" shall have the meaning provided in Section 12.04.

"**Regulation D**" shall mean Regulation D of the Board of Governors of the Federal

Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"**Regulation T**" shall mean Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"**Regulation U**" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"**Regulation X**" shall mean Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"**Related Indemnified Person**" of an Indemnified Person means (1) any controlling Person or controlled Affiliate of such Indemnified Person, (2) the respective directors, officers, or employees of such Indemnified Person or any of its controlling Persons or controlled Affiliates and (3) the respective agents of such Indemnified Person or any of its controlling Persons or controlled Affiliates, in the case of this clause (3), acting at the instructions of such Indemnified Person, controlling Person or such controlled Affiliate; *provided* that each reference to a controlled Affiliate or controlling Person in this definition pertains to a controlled Affiliate or controlling Person involved in the negotiation or administration of this Agreement or the syndication of the Term Loans. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"**Release**" shall mean actively or passively disposing, discharging, injecting, spilling, pumping, leaking, leaching, dumping, emitting, escaping, emptying, pouring, seeping, migrating or the like, into, through or upon the Environment or within, from or into any building, structure, facility or fixture.

"**Repricing Transaction**" shall mean (1) the repayment, prepayment, refinancing or replacement of the Term Loans with other term loan Indebtedness having an "effective" yield for the relevant Type of such Indebtedness that is less than the Effective Yield for Initial Term Loans of the same Type (with the comparative determinations to be made in the reasonable judgment of the Administrative Agent consistent with generally accepted financial practices, after giving effect to, among other factors, margin, upfront or similar fees or "original issue discount," in each case, shared with all lenders or holders of such Indebtedness or Initial Term Loans, as the case may be, but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such Indebtedness or Initial Term Loans, as the case

may be, and without taking into account any fluctuations in LIBO Rate or comparable rate) but excluding Indebtedness incurred in connection with a Change of Control, or (2) any effective reduction in the Effective Yield for the Initial Term Loans (e.g., by way of amendment, waiver or otherwise) (with such determination to be made in the reasonable judgment of the Administrative Agent, consistent with generally accepted financial practices). Any such determination by the Administrative Agent as contemplated by preceding clauses (1) and (2) shall be conclusive and binding on all Lenders holding Initial Term Loans.

"**Required Lenders**" shall mean Non-Defaulting Lenders, the sum of whose outstanding principal of Term Loans as of any date of determination represent greater than 50% of the sum of all outstanding principal of Term Loans of Non-Defaulting Lenders at such time.

"**Requirement of Law**" shall mean, with respect to any Person, (i) the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person and (ii) any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" shall mean, with respect to any Person, its chief executive officer, president, or any vice president, managing director, treasurer, controller or other officer of such Person having substantially the same authority and responsibility; *provided* that, with respect to compliance with financial covenants, "Responsible Officer" shall mean the chief financial officer, treasurer or controller of the Borrower, or any other officer of the Borrower having substantially the same authority and responsibility.

"**Restricted Subsidiary**" shall mean each Subsidiary of the Borrower other than any Unrestricted Subsidiary.

"**Retained Portion of Excess Cash Flow** " means, for any fiscal year, the percentage of Excess Cash Flow equal to the difference between 100% and the Applicable Prepayment Percentage applicable to such fiscal year.

"**Returns**" shall have the meaning provided in Section 7.09.

"**RPMRR**" means the Register of Personal and Movable Real Rights (Québec).

"**S&P**" shall mean Standard & Poor's Ratings Services, a division of the McGraw Hill Company, Inc., and any successor owner of such division.

"**Sale-Leaseback Transaction**" shall mean any arrangements with any Person providing for the leasing by the Borrower or any of its Restricted Subsidiaries of real or personal property which has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person or to any other Person to whom funds have been or

are to be advanced by such Person in connection therewith.

"**Scheduled Incremental TL Repayment**" shall have the meaning provided in Section 4.02(b).

"**Scheduled Initial TL Repayment**" shall have the meaning provided in Section 4.02(a).

"**Scheduled Initial TL Repayment Date**" shall have the meaning provided in Section 4.02(a)

"**Scheduled Repayment**" shall mean any Scheduled Initial TL Repayment and/or Scheduled Incremental TL Repayment.

"**SEC**" shall mean the Securities and Exchange Commission or any successor thereto.

"**Section 8.01 Financials**" shall mean the quarterly and annual financial statements required to be delivered pursuant to Sections 8.01(a) and (b).

"**Secured Creditors**" shall have the meaning assigned that term in the respective Security Documents.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Securities Commission**" shall mean a securities commission or any other securities regulatory authority in Canada.

"**Securities Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Security Agreement**" shall mean the U.S. Security Agreement or the Canadian Security Agreement as the context may require.

"**Security Document**" shall mean and include each of the Security Agreements, the Pledge Agreements, each Mortgage and, after the execution and delivery thereof, each Additional Security Document.

"**Sellers**" shall have the meaning provided in the recitals.

"**Senior Representative**" means, with respect to any Indebtedness that is secured by a Lien that is permitted under Section 9.01(iv)(z) and is not Permitted Junior Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or other agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

"**Similar Business**" shall mean any business and any services, activities or businesses incidental, or reasonably related or similar to, or complementary to any line of business engaged in by the Borrower and its Restricted Subsidiaries on the Closing Date (after giving effect to the Transaction) or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

"**Specified Representations**" shall mean each representation and warranty, with respect to the Borrower, contained in any of Section 7.01(i), Section 7.02, Section 7.03(iii) (but only to the extent such conflict results in a Company Material Adverse Effect), Section 7.05(b), Section 7.08(c), Section 7.11 (other than, to the extent such representation and warranty relates to perfection of a security interest in any Collateral referred to therein, if (x) such Collateral may not be perfected by the filing of a financing statement under the Uniform Commercial Code or PPSA (as applicable) or taking possession of a stock certificate to the extent related to a material, wholly-owned Domestic Subsidiary and (y) perfection of the Collateral Agent's security interest in such Collateral described in preceding clause (x) may not be accomplished prior to or on the Closing Date after using commercially reasonable efforts), Section 7.15 or Section 7.16.

"**Subsidiaries Guaranty**" shall have the meaning provided in Section 5.11.

"**Subsidiary**" shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% Equity Interest at the time.

"**Subsidiary Guarantor**" shall mean each Domestic Subsidiary of the Borrower in existence on the Closing Date (after giving effect to the Transaction) other than any Excluded Subsidiary, as well as each Domestic Subsidiary of the Borrower established, created or acquired after the Closing Date which becomes a party to the Subsidiaries Guaranty in accordance with the requirements of this Agreement or the provisions of the Subsidiaries Guaranty.

"**Swap Contract**" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations,

which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"**Syndication Agents**" shall have the meaning assigned to such term in the preamble hereto.

"**Syndication Date**" shall mean such date as has been agreed to in a separate writing among the Joint Lead Arrangers and the Borrower.

"**Synthetic Lease**" shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an "operating lease" by the lessee and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"**Taxes**" shall mean any and all present or future taxes, levies, imposts, duties, deductions (including, without limitation, payroll deductions), charges, fees, assessments, liabilities or withholdings (including backup withholding) imposed by any Governmental Authority in the nature of a tax, including interest, penalties and additions to tax with respect thereto.

"**Term Loan Commitment**" shall mean, for each Lender, its Initial Term Loan Commitment, its Refinancing Term Loan Commitment, its Extended Term Loan Commitment or its Incremental Term Loan Commitment.

"**Term Loan Percentage**" of a Tranche of Term Loans shall mean, at any time, a fraction (expressed as a percentage), the numerator of which is equal to the aggregate outstanding principal amount of all Term Loans of such Tranche at such time and the denominator of which is equal to the aggregate outstanding principal amount of all Term Loans of all Tranches at such time.

"**Term Loans**" shall mean the Initial Term Loans, each Incremental Term Loan made pursuant to Section 2.01(a), each Refinancing Term Loan and each Extended Term Loan of a given Extension Series.

"**Term Priority Collateral**" shall have the meaning assigned to such term in the ABL/Term Intercreditor Agreement.

"**Test Period**" shall mean each period of four consecutive fiscal quarters of the Borrower (in each case taken as one accounting period) for which Section 8.01 Financials have been delivered.

"**Threshold Amount**" shall mean $25,000,000.

"**Total Commitment**" shall mean, at any time, the sum of the Total Initial Term

Loan Commitment and the Total Incremental Term Loan Commitment.

"**Total Extended Term Loan Commitment**" shall mean, at any time, the sum of Extended Term Loan Commitments of each of the Lenders with such a Commitment at such time.

"**Total Incremental Term Loan Commitment** " shall mean, at any time, the sum of the Incremental Term Loan Commitments of each of the Lenders with such a Commitment at such time.

"**Total Initial Term Loan Commitment** " shall mean, at any time, the sum of the Initial Term Loan Commitments of each of the Lenders at such time.

"**Total Refinancing Term Loan Commitment** " shall mean, at any time, the sum of the Refinancing Term Loan Commitments of each of the Lenders with such a Commitment at such time.

"**Tranche**" shall mean the respective facilities and commitments utilized in making Initial Term Loans or Incremental Term Loans made pursuant to one or more tranches designated pursuant to the respective Incremental Term Loan Commitment Agreements in accordance with the relevant requirements specified in Section 2.16 (collectively, the "**Initial Tranches**" and, each, an "**Initial Tranche**"), and after giving effect to the Extension pursuant to Section 2.15, shall include any group of Extended Term Loans pursuant to Extended Term Loan Commitments, extended, directly or indirectly, from the same Initial Tranche and having the same Maturity Date, interest rate and fees and after giving effect to any Refinancing Term Loan Amendment pursuant to Section 2.17, shall include any group of Refinancing Term Loans refinancing, directly or indirectly, the same Initial Tranche having the same Maturity Date, interest rate and fees; *provided* that that only in the circumstances contemplated by Section 2.17(b), Refinancing Term Loans may be made part of a then existing Tranche of Term Loans; *provided further* that only in the circumstances contemplated by Section 2.16(c), Incremental Term Loans may be made part of a then existing Tranche of Term Loans.

"**Transaction**" shall mean, collectively, (i) the consummation of the Acquisition, (ii) the consummation of the Refinancing, (iii) the entering into of the Credit Documents and the incurrence of Term Loans on the Closing Date, (iv) the entering into of the ABL Credit Agreement and (v) the payment of all Transaction Costs.

"**Transaction Costs**" shall mean the fees, premiums and expenses payable by the Borrower and its Subsidiaries in connection with the transactions described in clauses (i) through (iv) of the definition of "Transaction."

"**Type**" shall mean the type of Term Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Term Loan or a LIBO Rate Term Loan.

"**UCC**" shall mean the Uniform Commercial Code as from time to time in effect in

the relevant jurisdiction.

"**Undisclosed Information Representation**" shall mean, with respect to any Person, a representation as to whether such Person is in possession of any material non-public information with respect to the Borrower or any of its Subsidiaries that has not been disclosed to the Lenders generally (other than those Lenders who have elected to not receive any non-public information with respect to the Borrower or any of its Subsidiaries), and if so disclosed could reasonably be expected to have a material effect upon, or otherwise be material to, the market price of the applicable Term Loan, or the decision of an assigning Lender to sell, or of an assignee to purchase, such Term Loan.

"**Unfunded Pension Liability**" of any Plan shall mean the amount, if any, by which the value of the accumulated plan benefits under the Plan determined on a plan termination basis in accordance with actuarial assumptions at such time consistent with those prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds the fair market value of all plan assets of such Plan.

"**United States**" and "**U.S.**" shall each mean the United States of America.

"**Unrestricted Subsidiary**" shall mean (i) each Subsidiary of the Borrower listed on Schedule 1.01(a) and (ii) any Subsidiary of the Borrower designated by the board of directors of the Borrower as an Unrestricted Subsidiary pursuant to Section 8.15 subsequent to the Closing Date.

"**U.S. Dollars**" and the sign "**$**" shall each mean freely transferable lawful money (expressed in dollars) of the United States.

"**U.S. Pledge Agreement"** shall mean that Pledge Agreement in the form attached hereto as Exhibit F-1 (together with each other U.S. pledge agreement delivered pursuant to the terms of this Agreement), as amended, amended and restated, or otherwise modified or supplemented from time to time.

"**U.S. Security Agreement**" shall mean that Security Agreement in the form attached hereto as Exhibit G-1 (together with each other U.S. security agreement delivered pursuant to the terms of this Agreement), as amended, amended and restated, or otherwise modified or supplemented from time to time.

"**U.S. Tax Compliance Certificate**" shall have the meaning provided in Section 4.04(c).

"**Weighted Average Life to Maturity**" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the then outstanding principal amount of such Indebtedness into (ii) the product obtained by multiplying (x) the amount of each then remaining installment or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of

such payment.

"**Wholly-Owned Domestic Subsidiary**" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Domestic Subsidiary of such person.

"**Wholly-Owned Foreign Subsidiary**" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Foreign Subsidiary of such Person.

"**Wholly-Owned Restricted Subsidiary**" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Restricted Subsidiary of such Person.

"**Wholly-Owned Subsidiary**" shall mean, as to any Person, (i) any corporation 100% of whose capital stock is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person owns 100% of the Equity Interests at such time (other than, in the case of a Foreign Subsidiary with respect to preceding clauses (i) or (ii), director's qualifying shares and/or other nominal amounts of shares required to be held by Persons other than the Borrower and its Subsidiaries under applicable law).

Section 1.02. *Terms Generally*. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement unless the context shall otherwise require. All references herein to Articles, Sections, paragraphs, clauses, subclauses, Exhibits and Schedules shall be deemed references to Articles, Sections, paragraphs, clauses and subclauses of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless otherwise expressly provided herein, *(b)* all references to documents, instruments and other agreements (including the Credit Documents and organizational documents) shall be deemed to include all subsequent amendments, restatements, amendments and restatements, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendments and restatements, supplements and other modifications are not prohibited by any Credit Document and *(c)* references to any law, statute, rule or regulation shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE 2

Section 2.01. *The Commitments*. (a) Subject to and upon the terms and conditions set forth herein, each Lender with an Initial Term Loan Commitment severally agrees to make an Initial Term Loan or Initial Term Loans to the Borrower, which Initial Term Loans (i) shall be incurred by the Borrower pursuant to a single drawing on the Closing Date, (ii) shall be denominated in U.S. Dollars, (iii) shall except as hereinafter provided, at the option of the Borrower, be incurred and maintained as, and/or converted into, one or more Borrowings of Base Rate Term Loans or LIBO Rate Term Loans, *provided* that except as otherwise specifically provided in Section 2.10, all Initial Term Loans comprising the same Borrowing shall at all times be of the same Type, and (iv) shall be made by each such Lender in that aggregate principal amount which does not exceed the Initial Term Loan Commitment of such Lender on the Closing Date (before giving effect to the termination thereof pursuant to Section 3.02(a)). Once repaid, Initial Term Loans may not be reborrowed.

(a) Subject to and upon the terms and conditions set forth herein, each Lender with an Incremental Term Loan Commitment from time to time for a given Tranche of Incremental Term Loans severally agrees to make term loans (each, an "**Incremental Term Loan**" and, collectively, the "**Incremental Term Loans**") to the Borrower, which Incremental Term Loans (i) shall be incurred pursuant to a single drawing on the applicable Incremental Term Loan Borrowing Date, (ii) shall be denominated in U.S. Dollars, (iii) shall, except as hereinafter provided, at the option of the Borrower, be incurred and maintained as, and/or converted into one or more Borrowings of Base Rate Term Loans or LIBO Rate Term Loans, *provided* that except as otherwise specifically provided in Section 2.10, all Incremental Term Loans of a given Tranche made as part of the same Borrowing shall at all times consist of Incremental Term Loans of the same Type, and (iv) shall not exceed for any such Incremental Term Loan Lender at any time of any incurrence thereof, the Incremental Term Loan Commitment of such Incremental Term Loan Lender for such Tranche (before giving effect to the termination thereof on such date pursuant to Section 3.02(b)). Once repaid, Incremental Term Loans may not be reborrowed.

(b) The obligations of the Lenders hereunder to make Term Loans or any other payments are several and not joint. The failure of any Lender to make any Loan or to make any other payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Term Loan or payment.

Section 2.02. *Minimum Amount of Each Borrowing* . The aggregate principal amount of each Borrowing of Term Loans under any Tranche shall not be less than the Minimum Borrowing Amount. More than one Borrowing may occur on the same date, but at no time shall there be outstanding more than ten (10) Borrowings of LIBO Rate Term Loans in the aggregate for all Tranches of Term Loans.

Section 2.03. *Notice of Borrowing*. *(d)* Whenever the Borrower desires to make a Borrowing of Term Loans hereunder, the Borrower shall give the Administrative Agent at its Notice Office at least one Business Day's prior written notice (or telephonic notice

promptly confirmed in writing) of each Base Rate Term Loan to be made hereunder and at least three Business Days' (or such shorter period as the Administrative Agent shall agree in its sole and absolute discretion) prior written notice (or telephonic notice promptly confirmed in writing) of each LIBO Rate Term Loan to be made hereunder, *provided* that (in each case) any such notice shall be deemed to have been given on a certain day only if given before 11:00 a.m. (New York City time) on such day (or such later time as the Administrative Agent shall agree in it its sole and absolute discretion). Each such notice (each, a "**Notice of Borrowing**"), except as otherwise expressly provided in Section 2.11, shall be irrevocable and shall be in writing, or by telephone promptly confirmed in writing by or on behalf of the Borrower, in the form of Exhibit A-1, appropriately completed to specify: *(a)* the aggregate principal amount of the Term Loans to be made pursuant to such Borrowing, *(b)* the date of such Borrowing (which shall be a Business Day), *(c)* whether the respective Borrowing shall consist of Initial Term Loans or Incremental Term Loans, *(d)* whether the Term Loans being made pursuant to such Borrowing are to be initially maintained as Base Rate Term Loans or LIBO Rate Term Loans and *(e)* in the case of LIBO Rate Term Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly give each Lender which is required to make Term Loans of the Tranche specified in the respective Notice of Borrowing, notice of such proposed Borrowing, of such Lender's proportionate share thereof (determined in accordance with Section 2.07) and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

Section 2.04. *Disbursement of Funds*. No later than 1:00 P.M. (New York City time) on the date specified in each Notice of Borrowing, each Lender with a Commitment of the relevant Tranche will make available its pro rata portion (determined in accordance with Section 2.07) of each such Borrowing requested to be made on such date. All such amounts will be made available in U.S. Dollars and in immediately available funds at the Payment Office, and the Administrative Agent will make available to the Borrower at the Payment Office the aggregate of the amounts so made available by the Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any Borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any Borrowing to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent also shall be entitled to recover on demand from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate

per annum equal to *(f)* if recovered from such Lender, the overnight Federal Funds Rate for the first three days and at the interest rate otherwise applicable to such Term Loans for each day thereafter and *(g)* if recovered from the Borrower, the rate of interest applicable to the relevant Borrowing, as determined pursuant to Section 2.08. Nothing in this Section 2.04 shall be deemed to relieve any Lender from its obligation to make Term Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Term Loans hereunder.

Section 2.05. *Notes.* (e) The Borrower's obligation to pay the principal of, and interest on, the Term Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 12.04(c), and shall, if requested by such Lender, also be evidenced (a) in the case of an Initial Term Loan, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1, with blanks appropriately completed in conformity herewith (each, an "**Initial Term Note**" and, collectively, the " **Initial Term Notes**"), and (b) in the case of Incremental Term Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-2 (with such modifications thereto as may be necessary to reflect differing classes of Incremental Term Loans), with blanks appropriately completed in conformity herewith (each, an "**Incremental Term Note**" and, collectively, the "**Incremental Term Notes**").

(a) The Initial Term Note issued to each requesting Lender with outstanding Initial Term Loans shall (c) be executed by the Borrower, (d) be payable to such Lender or its registered assigns and be dated the Closing Date (or, if issued after the Closing Date, be dated the date of issuance thereof), (e) be in a stated principal amount equal to the Initial Term Loans made by such Lender on the Closing Date (or, if issued after the Closing Date, be in a stated principal amount equal to the outstanding Initial Term Loans of such Lender at such time) and be payable in the outstanding principal amount of Initial Term Loans evidenced thereby, (f) mature on the Maturity Date for Initial Term Loans, (g) bear interest as provided in the appropriate clause of Section 2.08 in respect of the Base Rate Term Loans and LIBO Rate Term Loans, as the case may be, evidenced thereby, (h) be subject to voluntary prepayment as provided in Section 4.01, and mandatory repayment as provided in Section 4.02, and (i) be entitled to the benefits of this Agreement and the other Credit Documents.

(b) The Incremental Term Note issued to each requesting Lender with an Incremental Term Loan Commitment or outstanding Incremental Term Loans under a given Tranche shall (j) be executed by the Borrower, (k) be payable to such Lender or its registered assigns and be dated the date of issuance thereof, (l) be in a stated principal amount equal to the Incremental Term Loan Commitment of such Lender on the Incremental Term Loan Borrowing Date (prior to the incurrence of any Incremental Term Loans pursuant thereto on such date) (or, if issued thereafter, be in a stated principal amount equal to the outstanding principal amount of the Incremental Term Loans of such Lender on the date of issuance thereof) and be payable in the principal amount of the Incremental Term Loans evidenced thereby, (m) mature on the Maturity Date for such Incremental Term Loans, (n) bear interest as provided in the appropriate clause of Section 2.08 or in the relevant Incremental Term

Loan Commitment Agreement in respect of Base Rate Term Loans or LIBO Rate Term Loans, as the case may be, evidenced thereby, (o) be subject to voluntary prepayment as provided in Section 4.01 and mandatory repayment as provided in Section 4.02 and (p) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) Each Lender will note on its internal records the amount of each Term Loan made by it and each payment in respect thereof and prior to any transfer of any of its Notes will endorse on the reverse side thereof the outstanding principal amount of Term Loans evidenced thereby. Failure to make any such notation or any error in such notation shall not affect the Borrower's obligations in respect of such Term Loans.

(d) Notwithstanding anything to the contrary contained above in this Section 2.05 or elsewhere in this Agreement, Notes shall only be delivered to Lenders which at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Term Loans to the Borrower shall affect or in any manner impair the obligation of the Borrower to pay the Term Loans (and all related Obligations) incurred by the Borrower that would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the various Credit Documents. Any Lender that does not have a Note evidencing its outstanding Term Loans shall in no event be required to make the notations otherwise described in the preceding clause (d). At any time when any Lender requests the delivery of a Note to evidence any of its Term Loans, the Borrower shall promptly execute and deliver to the respective Lender the requested Note in the appropriate amount or amounts to evidence such Term Loans.

Section 2.06. *Interest Rate Conversions.* (f) The Borrower shall have the option to convert, on any Business Day, all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Term Loans of a given Tranche made pursuant to one or more Borrowings of one or more Types of Term Loans, into a Borrowing (of the same Tranche) of another Type of Term Loan, *provided* that (a) except as otherwise provided in Section 2.12, (x) LIBO Rate Term Loans may be converted into Base Rate Term Loans only on the last day of an Interest Period applicable to the Term Loans being converted and no such partial conversion of LIBO Rate Term Loans, as the case may be, shall reduce the outstanding principal amount of such LIBO Rate Term Loans, made pursuant to a single Borrowing to less than the Minimum Borrowing Amount applicable thereto, (b) unless the Required Lenders otherwise agree, Base Rate Term Loans may only be converted into LIBO Rate Term Loans if no Event of Default is in existence on the date of the conversion, and (c) no conversion pursuant to this Section 2.06 shall result in a greater number of Borrowings of LIBO Rate Term Loans than is permitted under Section 2.02. Such conversion shall be effected by the Borrower by giving the Administrative Agent at the Notice Office prior to 11:00 a.m.(New York City time) at least three Business Days' prior notice (in the case of any conversion to or continuation of LIBO Rate Term Loans) or one Business Day's notice (in the case of any conversion to Base Rate Term Loans) (each, a "**Notice of Conversion/Continuation**") in the form of Exhibit A-2, appropriately completed to specify the Term Loans of a given Tranche to be so converted, the Borrowing or Borrowings pursuant to

which such Term Loans were incurred and, if to be converted into LIBO Rate Term Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion affecting any of its Term Loans.

Section 2.07. *Pro Rata Borrowings* . All Borrowings of Initial Term Loans and Incremental Term Loans under this Agreement shall be incurred from the Lenders pro rata on the basis of such Lenders' Initial Term Loan Commitments or Incremental Term Loan Commitments, as the case may be. No Lender shall be responsible for any default by any other Lender of its obligation to make Term Loans hereunder, and each Lender shall be obligated to make the Term Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Term Loans hereunder.

Section 2.08. *Interest.* (g) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Base Rate Term Loan (including with respect to any LIBO Rate Term Loan converted into a Base Rate Term Loan pursuant to Section 2.06 or 2.09) made to the Borrower hereunder from the date of Borrowing thereof (or, in the circumstances described in the immediately preceding parenthetical, from the date of conversion of the respective LIBO Rate Term Loan into a Base Rate Term Loan) until the earlier of (a) the maturity thereof (whether by acceleration or otherwise) and (b) the conversion of such Base Rate Term Loan to a LIBO Rate Term Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate per annum which shall be equal to the sum of the Applicable Margin *plus* the Base Rate, as in effect from time to time.

(a) The Borrower agrees to pay interest in respect of the unpaid principal amount of each LIBO Rate Term Loan made to the Borrower from the date of Borrowing thereof until the earlier of (c) the maturity thereof (whether by acceleration or otherwise) and (d) the conversion of such LIBO Rate Term Loan to a Base Rate Term Loan pursuant to Sections 2.06 or 2.09, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of the Applicable Margin *plus* the applicable LIBO Rate for such Interest Period.

(b) During the occurrence of an Event of Default as set forth in Section 10.01(a) (with respect to overdue amounts) or Section 10.01(e) (with respect to all amounts), principal and, to the extent permitted by law, interest in respect of each Term Loan and any other amount payable hereunder shall, in each case, bear interest at a rate per annum equal to (e) for Base Rate Term Loans and associated interest, 2% per annum in excess of the Applicable Margin for Base Rate Term Loans *plus* the Base Rate, (f) for LIBO Rate Term Loans and associated interest, 2% per annum in excess of the Applicable Margin for LIBO Rate Term Loans *plus* the LIBO Rate and (g) with respect to fees and all other amounts, 2% per annum in excess of the Applicable Margin for Base Rate Term Loans *plus* the Base Rate, each as in effect from time to time, in each case with such interest to be payable on demand.

(c) Accrued (and theretofore unpaid) interest shall be calculated daily and payable (h) in respect of each Base Rate Term Loan, quarterly in arrears on each Quarterly Payment Date, (i) in respect of each LIBO Rate Term Loan, on (x) the date of any conversion thereof into a Base Rate Term Loan, pursuant to Sections 2.06, 2.09 or Section 2.11, as applicable

(on the amount converted) and (y) the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period and (j) in respect of each Term Loan, on (x) the date of any prepayment or repayment thereof (on the amount prepaid or repaid), (y) at maturity (whether by acceleration or otherwise) and (z) after such maturity, on demand.

(d) Upon each Interest Determination Date, the Administrative Agent shall determine the LIBO Rate for each Interest Period applicable to the respective LIBO Rate Term Loans and shall promptly notify the Borrower and the Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

(e) For the purposes of the *Interest Act* (Canada), the yearly rate of interest to which any rate calculated on the basis of a period of time different from the actual number of days in the year (three hundred sixty (360) days, for example) is equivalent to the stated rate multiplied by the actual number of days in the year (three hundred sixty-five (365) or three hundred sixty-six (366), as applicable) and divided by the number of days in the shorter period (three hundred sixty (360) days, in the example), and the parties hereto acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates and that the calculations herein are to be made using the nominal rate method and not on any basis that gives effect to the principle of deemed reinvestment of interest.

Section 2.09. *Interest Periods*. At the time the Borrower gives any Notice of Borrowing or Notice of Conversion/Continuation in respect of the making of, or conversion into, any LIBO Rate Term Loan (in the case of the initial Interest Period applicable thereto) or prior to 11:00 a.m.(New York City time) on the third Business Day prior to the expiration of an Interest Period applicable to such LIBO Rate Term Loan (in the case of any subsequent Interest Period), the Borrower shall have the right to elect the interest period (each, an "**Interest Period**") applicable to such LIBO Rate Term Loan, which Interest Period shall, at the option of the Borrower be a one, two, three or six month period (or twelve months if agreed to by all applicable Lenders); *provided* that (in each case):

(i) all LIBO Rate Term Loans comprising a Borrowing shall at all times have the same Interest Period;

(ii) the initial Interest Period for any LIBO Rate Term Loan shall commence on the date of Borrowing of such LIBO Rate Term Loan (including, in the case of LIBO Rate Term Loans, the date of any conversion thereto from a Borrowing of Base Rate Term Loans and each Interest Period occurring thereafter in respect of such LIBO Rate Term Loan shall commence on the day on which the next preceding Interest Period applicable thereto expires;

(iii) if any Interest Period for a LIBO Rate Term Loan begins on a day for which there is no numerically corresponding day in the calendar month at the

end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iv) if any Interest Period for a LIBO Rate Term Loan would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided*, *however*, that if any Interest Period for a LIBO Rate Term Loan would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(v) unless the Required Lenders otherwise agree, no Interest Period for a LIBO Rate Term Loan may be selected at any time when a Default or an Event of Default is then in existence; and

(vi) no Interest Period in respect of any Borrowing of any Tranche of Term Loans shall be selected which extends beyond the Maturity Date therefor.

With respect to any LIBO Rate Term Loans, at the end of any Interest Period applicable to a Borrowing thereof, the Borrower, may elect to split the respective Borrowing of a single Type under a single Tranche into two or more Borrowings of different Types under such Tranche or combine two or more Borrowings under a single Tranche into a single Borrowing of the same Type under such Tranche, in each case, by having the Borrower give notice thereof together with its election of one or more Interest Periods, in each case so long as each resulting Borrowing (x) has an Interest Period which complies with the foregoing requirements of this Section 2.09, (y) has a principal amount which is not less than the Minimum Borrowing Amount applicable to Borrowings of the respective Type and Tranche, and (z) does not cause a violation of the requirements of Section 2.02. If by 11:00 a.m.(New York City time) on the third Business Day prior to the expiration of any Interest Period applicable to a Borrowing of LIBO Rate Term Loans, the Borrower has failed to elect, or is not permitted to elect, a new Interest Period to be applicable to such LIBO Rate, the Borrower shall be deemed to have elected in the case of LIBO Rate Term Loans, to convert such LIBO Rate Term Loans into Base Rate Term Loans with such conversion to be effective as of the expiration date of such current Interest Period.

Section 2.10. *Increased Costs*.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBO Rate);

(ii) subject any Recipient to any Taxes (other than (i) Indemnified Taxes and (ii) Taxes described in clauses (a) through (d) of the definition of Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other

obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Term Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Term Loan or of maintaining its obligation to make any such Term Loan, or to increase the cost to such Lender or such other Recipient, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Term Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.11. *Illegality*. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Term Loans whose interest is determined by reference to the LIBO Rate, or to determine or charge interest rates based upon the LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue LIBO Rate Term Loans or to convert Base Rate Term Loans to LIBO Rate Term Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Term Loans the interest rate on which is determined by reference to the LIBO Rate component of the Base Rate, the interest rate on which Base Rate Term Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBO Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all LIBO Rate Term Loans of such Lender to Base Rate Term Loans (the interest rate on which Base Rate Term Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBO Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBO Rate Term Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBO Rate Term Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the LIBO Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the LIBO Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the LIBO Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

Section 2.12. *Compensation*. The Borrower agrees to compensate each Lender, upon its written request (which request shall set forth in reasonable detail the basis for requesting such compensation and the calculation of the amount of such compensation), for all losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its LIBO Rate Term Loans but excluding loss of anticipated profits) which such Lender may sustain: *(k)* if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of, or conversion from or into, LIBO Rate Term Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 2.10); *(l)* if any prepayment or repayment (including any prepayment or repayment made pursuant to Section 4.01, Section 4.02 or as a result of an acceleration of the Term Loans pursuant to Article 10) or conversion of any of its LIBO Rate Term Loans occurs on a date which is not the last day of an Interest Period with respect thereto; *(m)* if

any prepayment of any LIBO Rate Term Loans is not made on any date specified in a notice of prepayment given by the Borrower; or *(n)* as a consequence of (x) any other default by the Borrower to repay LIBO Rate Term Loans when required by the terms of this Agreement or any Note held by such Lender or (y) any election made pursuant to Section 2.11.

Section 2.13. *Change of Lending Office and Replacement of Lenders . (h)* If any Lender requests compensation under Section 2.10, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.04, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Term Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.10 or Section 4.04, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(a) If any Lender requests compensation under Section 2.10, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.04 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.13(a), the Borrower may replace such Lender in accordance with Section 12.20.

Section 2.14. [*Reserved*].

Section 2.15. *Extended Term Loans.* (i) Notwithstanding anything to the contrary in this Agreement, subject to the terms of this Section 2.15, the Borrower may at any time and from time to time when no Event of Default then exists request that all or a portion of the Initial Term Loans, the Extended Term Loans or any Tranche of Incremental Term Loans (each, an "**Existing Initial Term Loan Tranche**," "**Existing Extended Term Loan Tranche**" and "**Existing Incremental Term Loan Tranche**," respectively), together with any related outstandings, be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or any portion of the principal amount (and related outstandings) of such Initial Term Loans, Extended Term Loans or Incremental Term Loans (any such Term Loans which have been so converted, "**Extended Initial Term Loans**," "**Extended Existing Term Loans**" and "**Extended Incremental Term Loans**," respectively) and to provide for other terms consistent with this Section 2.15. In order to establish any Extended Term Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Term Loan Tranche) (each, an "**Extension Request**") setting forth the proposed terms of the Extended Term Loans to be established, which shall (x) be identical as offered to each Lender under the relevant Existing Term Loan Tranche (including as to the proposed interest rates and fees payable) and (y) be identical to the Term Loans under the relevant

Existing Term Loan Tranche from which such Extended Term Loans are to be converted, except that: (a) all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization payments of principal of the Term Loans of such Existing Term Loan Tranche to the extent provided in the applicable Extension Amendment; (b) the Effective Yield with respect to the Extended Term Loans (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the Effective Yield for the Term Loans of such Existing Term Loan Tranche to the extent provided in the applicable Extension Amendment; (c) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the applicable Extension Amendment (immediately prior to the establishment of such Extended Term Loans); (d) Extended Term Loans may have mandatory prepayment terms which provide for the application of proceeds from mandatory prepayment events to be made first to prepay the Term Loans under the Existing Term Loan Tranche from which such Extended Term Loans have been converted before applying any such proceeds to prepay such Extending Term Loans; and (e) Extended Term Loans may have optional prepayment terms (including call protection and terms which allow Term Loans under the relevant Existing Term Loan Tranche from which such Extended Term Loans have been converted to be optionally prepaid prior to the prepayment of such Extended Term Loans) as may be agreed by the Borrower and the Lenders thereof; *provided* that no Extended Term Loans may be optionally prepaid prior to the date on which all Term Loans with an earlier final stated maturity (including Term Loans under the Existing Term Loan Tranche from which such Term Loans were converted) are repaid in full, unless such optional prepayment is accompanied by a pro rata optional prepayment of such other Term Loans; *provided*, *however*, that (i) in no event shall the final maturity date of any Extended Term Loans of a given Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Term Loans hereunder and (ii) the Weighted Average Life to Maturity of any Extended Term Loans of a given Extension Series at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of any other Tranche of Term Loans then outstanding. Any Extended Term Loans converted pursuant to any Extension Request shall be designated a series (each, an "**Extension Series**") of Extended Term Loans, as applicable, for all purposes of this Agreement; *provided* that any Extended Term Loans converted from an Existing Term Loan Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Extension Series with respect to such Existing Term Loan Tranche.

(a) The Borrower shall provide the applicable Extension Request at least ten (10) Business Days prior to the date on which Lenders under the Existing Term Loan Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.15. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Tranche converted into Extended Term Loans pursuant to any Extension Request. Any Lender (each, an "**Extending Term Loan Lender**") wishing to have all or a portion of its Term Loans under the Existing Term Loan Tranche subject to such Extension Request converted into Extended Term Loans shall notify the

Administrative Agent (each, an " **Extension Election**") on or prior to the date specified in such Extension Request of the amount of its Term Loans under the Existing Term Loan Tranche which it has elected to request be converted into Extended Term Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). Any Lender that does not respond to the Extension Request on or prior to the date specified therein shall be deemed to have rejected such Extension Request. In the event that the aggregate principal amount of Term Loans under the applicable Existing Term Loan Tranche exceeds the amount of Extended Term Loans requested pursuant to such Extension Request, Term Loans of such Existing Term Loan Tranche, subject to such Extension Elections shall either (f) be converted to Extended Term Loans of such Existing Term Loan Tranche on a pro rata basis based on the aggregate principal amount of Term Loans of such Existing Term Loan Tranche included in such Extension Elections or (g) to the extent such option is expressly set forth in the applicable Extension Request, be converted to Extended Term Loans upon an increase in the amount of Extended Term Loans so that such excess does not exist.

(b) Extended Term Loans shall be established pursuant to an amendment (each, an " **Extension Amendment**") to this Agreement among the Borrower, the Administrative Agent and each Extending Term Loan Lender providing an Extended Term Loan thereunder, which shall be consistent with the provisions set forth in Section 2.15(a) above (but which shall not require the consent of any other Lender). The Administrative Agent shall promptly notify each relevant Lender as to the effectiveness of each Extension Amendment. After giving effect to the Extension, the Initial Term Loan Commitments so extended shall cease to be a part of the Tranche they were a part of immediately prior to the Extension.

(c) Extensions consummated by the Borrower pursuant to this Section 2.15 shall not constitute voluntary or mandatory payments or prepayments for purposes of this Agreement. The Administrative Agent and the Lenders hereby consent to each Extension and the other transactions contemplated by this Section 2.15 (including, for the avoidance of doubt, payment of any interest or fees in respect of any Extended Term Loans on such terms as may be set forth in the applicable Extension Request) and hereby waive the requirements of any provision of this Agreement (including, without limitation, 4.01, 4.02, 4.03, 12.02 or 12.06) or any other Credit Document that may otherwise prohibit any Extension or any other transaction contemplated by this Section 2.15, *provided* that such consent shall not be deemed to be an acceptance of any Extension Request.

(d) Each of the parties hereto hereby agrees that this Agreement and the other Credit Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (h) reflect the existence and terms of any Extended Term Loans incurred pursuant thereto, (i) modify the scheduled repayments set forth in Section 4.02(a) with respect to any Existing Term Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Term Loans thereunder in an amount equal to the aggregate principal amount of the Extended Term Loans converted pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Term Loans required pursuant

to Section 4.02(a)), (j) make such other changes to this Agreement and the other Credit Documents consistent with the provisions and intent of Section 12.11(d)(i), (k) establish new Tranches or sub- Tranches in respect of Term Loans so extended and such technical amendments as may be necessary in connection with the establishment of such new Tranches or sub-Tranches, in each case on terms consistent with this Section 2.15, and (l) effect such other amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.15, and each Lender hereby expressly authorizes the Administrative Agent to enter into any such Extension Amendment. In connection with any Extension, the applicable Credit Parties shall (at their expense) amend (and the Administrative Agent is hereby directed to amend) any Mortgage that has a maturity date prior to the Latest Maturity Date so that such maturity date is extended to the Latest Maturity Date (or such later date as may be advised by local counsel to the Administrative Agent), to the extent required pursuant to applicable local law.

Section 2.16. *Incremental Term Loan Commitments.* (j) So long as no Default or Event of Default is then in existence or would exist after giving effect thereto, the Borrower shall have the right, in consultation and coordination with the Administrative Agent as to all of the matters set forth below in this Section 2.16, but without requiring the consent of the Administrative Agent or any of the Lenders, to request at any time and from time to time that one or more Lenders (and/or one or more other Persons that are Eligible Transferees and which will become Lenders) provide Incremental Term Loan Commitments to the Borrower and, subject to the terms and conditions contained in this Agreement and in the relevant Incremental Term Loan Commitment Agreement, make Incremental Term Loans pursuant thereto; it being understood and agreed, however, that (a) no Lender shall be obligated to provide an Incremental Term Loan Commitment as a result of any such request by the Borrower, and until such time, if any, as such Lender has agreed in its sole discretion to provide an Incremental Term Loan Commitment and executed and delivered to the Administrative Agent an Incremental Term Loan Commitment Agreement as provided in clause (b) of this Section 2.16, such Lender shall not be obligated to fund any Incremental Term Loans, (b) any Lender (including any Eligible Transferee who will become a Lender) may so provide an Incremental Term Loan Commitment without the consent of any other Lender, (c) each Tranche of Incremental Term Loan Commitments shall be denominated in U.S. Dollars, (d) the amount of Incremental Term Loan Commitments made available pursuant to a given Incremental Term Loan Commitment Agreement shall be in a minimum aggregate amount for all Lenders that provide an Incremental Term Loan Commitment thereunder (including Eligible Transferees who will become Lenders) of at least $20,000,000, (e) the aggregate amount of all Incremental Term Loan Commitments provided pursuant to this Section 2.15 after the Closing Date, shall not exceed the amount that could be incurred at such time without causing the Consolidated First Lien Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended for which financial statements have been delivered (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), to exceed 4.25:1.00 plus, from and after the date on which the Leverage Step-Down Trigger occurs (which shall

only be required to occur once), $100,000,000, (f) the proceeds of all Incremental Term Loans incurred by the Borrower shall be used for working capital and other general corporate purposes (including, without limitation, to finance one or more Permitted Acquisitions and to pay fees and expenses in connection therewith), (g) each Incremental Term Loan Commitment Agreement shall specifically designate, with the approval of the Administrative Agent, the Tranche of the Incremental Term Loan Commitments being provided thereunder (which Tranche shall be a new Tranche i.e., not the same as any existing Tranche of Incremental Term Loans, Incremental Term Loan Commitments or other Term Loans), unless the requirements of Section 2.16(c) are satisfied), (h) Incremental Term Loans shall be on terms and pursuant to documentation to be determined, provided that except to the extent such terms and documentation are not consistent with the Initial Term Loans (except with respect to distinctions otherwise addressed by this paragraph), all documentation with respect to such Incremental Term Loans shall be reasonably satisfactory to the Administrative Agent; *provided*, *however*, that (i) the maturity and amortization of such Tranche of Incremental Term Loans may differ, so long as such Tranche of Incremental Term Loans shall have (i) an Initial Incremental Term Loan Maturity Date of no earlier than the Latest Maturity Date and (ii) a Weighted Average Life to Maturity of no less than the Weighted Average Life to Maturity as then in effect for the Tranche of then outstanding Term Loans with the then longest Weighted Average Life to Maturity, (ii) the Effective Yield applicable to such Tranche of Incremental Term Loans may differ from that applicable to the then outstanding Tranches of Term Loans, with the Effective Yield applicable thereto to be specified in the respective Incremental Term Loan Commitment Agreement; *provided*, *however*, that if the Effective Yield for such Incremental Term Loans as of the date of incurrence of such Tranche of Incremental Term Loans exceeds the Effective Yield then applicable to any then outstanding Initial Term Loans by more than 0.50% per annum, the Applicable Margins for all then outstanding Initial Term Loans shall be increased as of such date in accordance with the requirements of the definition of "Applicable Margin" so that the Effective Yield applicable to such tranche is no greater than 0.50% per annum higher than the Effective Yield applicable to the Initial Term Loans; provided that if the LIBO Rate Floor or Base Rate floor for such Incremental Term Loan is greater than the LIBO Rate Floor or Base Rate floor, respectively, for the then outstanding Initial Term Loans, any resulting increase in the Effective Yield on account of such increased LIBO Rate Floor or Base Rate floor shall be implemented by increasing the LIBO Rate Floor or Base Rate floor applicable to such Initial Term Loans, and (iii) such Tranche of Incremental Term Loans may have other terms (other than those described in preceding clauses (A) and (B)) that may differ from those of other Tranches of Term Loans, including, without limitation, as to the application of optional or voluntary prepayments among the Incremental Term Loans and the existing Term Loans (but mandatory prepayments shall not be required on a greater than pro rata basis with the Initial Term Loans) and such other differences as may be agreed to by the Administrative Agent, (ii) all Incremental Term Loans (and all interest, fees and other amounts payable thereon) incurred by the Borrower shall be Obligations of the Borrower under this Agreement and the other applicable Credit Documents and shall be secured by the Security Agreements, and guaranteed under each relevant Subsidiaries Guaranty, on a *pari passu* basis with all other Term Loans secured by the Security Agreements and guaranteed under each such Subsidiaries Guaranty, (iii) each Lender (including any Eligible

Transferee who will become a Lender) agreeing to provide an Incremental Term Loan Commitment pursuant to an Incremental Term Loan Commitment Agreement shall, subject to the satisfaction of the relevant conditions set forth in this Agreement, make Incremental Term Loans under the Tranche specified in such Incremental Term Loan Commitment Agreement as provided in Section 2.01(a) and such Term Loans shall thereafter be deemed to be Incremental Term Loans under such Tranche for all purposes of this Agreement and the other applicable Credit Documents and (xi) the Incremental Term Loan Conditions shall be satisfied.

(a) At the time of the provision of Incremental Term Loan Commitments pursuant to this Section 2.16, the Borrower, the Administrative Agent and each such Lender or other Eligible Transferee which agrees to provide an Incremental Term Loan Commitment (each, an "**Incremental Term Loan Lender**") shall execute and deliver to the Administrative Agent an Incremental Term Loan Commitment Agreement substantially in the form of Exhibit L (appropriately completed), with the effectiveness of the Incremental Term Loan Commitment provided therein to occur on the date on which (w) a fully executed copy of such Incremental Term Loan Commitment Agreement shall have been delivered to the Administrative Agent, (x) all fees required to be paid in connection therewith at the time of such effectiveness shall have been paid (including, without limitation, any agreed upon upfront or arrangement fees owing to the Administrative Agent), (y) all Incremental Term Loan Conditions are satisfied, and (z) all other conditions set forth in this Section 2.16 shall have been satisfied. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Term Loan Commitment Agreement, and at such time, (i) Schedule 1.01(b) shall be deemed modified to reflect the revised Incremental Term Loan Commitments of the affected Lenders and (j) to the extent requested by any Incremental Term Loan Lender, Incremental Term Notes will be issued at the Borrower's expense to such Incremental Term Loan Lender, to be in conformity with the requirements of Section 2.05 (with appropriate modification) to the extent needed to reflect the new Incremental Term Loans made by such Incremental Term Loan Lender.

(b) Notwithstanding anything to the contrary contained above in this Section 2.16, the Incremental Term Loan Commitments provided by an Incremental Term Loan Lender or Incremental Term Loan Lenders, as the case may be, pursuant to each Incremental Term Loan Commitment Agreement shall constitute a new Tranche, which shall be separate and distinct from the existing Tranches pursuant to this Agreement (with a designation which may be made in letters (*i.e.*, A, B, C, etc.), numbers (1, 2, 3, etc.) or a combination thereof (*i.e.*, A-1, A-2, B-1, B-2, C-1, C-2, etc.), *provided* that, with the consent of the Administrative Agent, the parties to a given Incremental Term Loan Commitment Agreement may specify therein that the Incremental Term Loans made pursuant thereto shall constitute part of, and be added to, an existing Tranche of Term Loans, in any case so long as the following requirements are satisfied:

(i) the Incremental Term Loans to be made pursuant to such Incremental Term Loan Commitment Agreement shall have the same Borrower, the same Maturity Date and the same Applicable Margins as the Tranche of Term Loans to

which the new Incremental Term Loans are being added;

(ii) the new Incremental Term Loans shall have the same Scheduled Repayment dates as then remain with respect to the Tranche to which such new Incremental Term Loans are being added (with the amount of each Scheduled Repayment applicable to such new Incremental Term Loans to be the same (on a proportionate basis) as is theretofore applicable to the Tranche to which such new Incremental Term Loans are being added, thereby increasing the amount of each then remaining Scheduled Repayment of the respective Tranche proportionately; and

(iii) on the date of the making of such new Incremental Term Loans, and notwithstanding anything to the contrary set forth in Section 2.09, such new Incremental Term Loans shall be added to (and form part of) each Borrowing of outstanding Term Loans of the applicable Tranche on a pro rata basis (based on the relative sizes of the various outstanding Borrowings), so that each Lender holding Term Loans under the respective Tranche of Term Loans participates in each outstanding Borrowing of Term Loans of the respective Tranche (after giving effect to the incurrence of such new Incremental Term Loans pursuant to Section 2.01(a)) on a pro rata basis.

To the extent the provisions of preceding clause (iii) require that Lenders making new Incremental Term Loans add such Incremental Term Loans to the then outstanding Borrowings of LIBO Rate Term Loans of such Tranche, it is acknowledged that the effect thereof may result in such new Incremental Term Loans having short Interest Periods *i.e.*, an Interest Period that began during an Interest Period then applicable to outstanding LIBO Rate Term Loans of such Tranche and which will end on the last day of such Interest Period). In connection therewith, it is hereby agreed that, to the extent the Incremental Term Loans are to be so added to the then outstanding Borrowings of Term Loans of such Tranche which are maintained as LIBO Rate Term Loans, the Lenders that have made such Incremental Term Loans shall be entitled to receive from the Borrower such amounts, as reasonably determined by the respective Lenders, to compensate them for funding the new Incremental Term Loans of the respective Tranche during an existing Interest Period (rather than at the beginning of the respective Interest Period based upon rates then applicable thereto). All determinations by any Lender pursuant to the immediately preceding sentence shall, absent manifest error, be final and conclusive and binding on all parties hereto.

Section 2.17. *Refinancing Facilities.* (k) The Borrower may by written notice to the Administrative Agent elect to request the establishment of one or more additional Tranches of Term Loans under this Agreement ("**Refinancing Term Loans**") or (x) one or more series of debt securities which are unsecured or secured on a pari passu or junior basis to the Term Loans or (y) loans which are unsecured or secured on a junior basis to the Term Loans ((x) and (y), collectively, "**Refinancing Notes**"), which refinance, renew, replace, defease or refund one or more Tranches of Term Loans (including any Incremental Term Loans or Extended Term Loans) under this Agreement; *provided*, that such Refinancing

Term Loans and/or Refinancing Notes may not be in an amount greater than the aggregate principal amount of the Term Loans being refinanced, renewed, replaced, defeased or refunded *plus* unpaid accrued interest and premium (if any) thereon and upfront fees, underwriting discounts, fees, commissions and expenses incurred in connection with the Refinancing Term Loans and/or Refinancing Notes; *provided* that such aggregate principal amount may also be increased to the extent such additional amount is capable of being incurred at such time pursuant to Section 9.04 (and Section 9.01 to the extent secured) and such excess incurrence shall for all purposes hereof be an incurrence under the relevant subclauses of Section 9.04 (and Section 9.01 to the extent secured). Each such notice shall specify the date (each, a "**Refinancing Effective Date**") on which the Borrower proposes that the Refinancing Term Loans shall be made or the Refinancing Notes shall be issued, which shall be a date not less than three (3) Business Days after the date on which such notice is delivered to the Administrative Agent; *provided* that:

(iv) the Weighted Average Life to Maturity of such Refinancing Term Loans and/or Refinancing Notes shall not be shorter than the remaining Weighted Average Life to Maturity of the Term Loans being refinanced and the Refinancing Term Loans and/or Refinancing Notes shall not have a final maturity before the Maturity Date applicable to the Term Loans being refinanced;

(v) such Refinancing Notes shall not have any scheduled amortization;

(vi) such Refinancing Term Loans and/or Refinancing Notes shall have pricing (including interest rates, fees and premiums), (without limitation of clause (i)) amortization (in the case of Refinancing Term Loans), optional prepayment, mandatory prepayment and redemption terms as may be agreed to by the Borrower and the relevant Refinancing Term Loan Lenders (as defined below) and/or Refinancing Note Holders (as defined below); *provided*, however that such Refinancing Term Loans or Refinancing Notes shall not contain any mandatory prepayment provisions (other than related to customary asset sale and change of control offers or events of default) that could result in prepayment of such Refinancing Term Loans or Refinancing Notes prior to the applicable Maturity Date and any Refinancing Term Loans or Refinancing Notes shall share in prepayments with the existing Term Loans on a no greater than pro rata basis;

(vii) such Refinancing Term Loans and/or Refinancing Notes shall not be issued, borrowed or guaranteed by any Person other than the Borrower or a Subsidiary Guarantor;

(viii) in the case of any such Refinancing Term Loans and/or Refinancing Notes that are secured (i) such Refinancing Term Loans and/or Refinancing Notes are secured by only assets comprising Collateral (as defined in the Security Documents), and not secured by any property or assets of the Borrower or any of its Subsidiaries other than the Collateral (as defined in the Security Documents) and (B) the Junior Representative in respect of such Refinancing Notes has entered into an Additional Intercreditor Agreement (and, in the case of debt

securities that are secured on a pari passu basis, the applicable Senior Representative has entered into a joinder to the ABL/Term Intercreditor Agreement);

(ix) all other terms applicable to such Refinancing Term Loans and/or Refinancing Notes (excluding pricing (including interest rates margins, rate floors, discounts, fees and premiums), (without limitation of clause (i)) amortization (in the case of Refinancing Term Loans), optional prepayment or optional redemptions terms) shall (ii) be substantially identical to, or (iii) (taken as a whole) be otherwise not materially more favorable to the Refinancing Term Loan Lenders and/or Refinancing Note Holders than those applicable to the then outstanding Term Loans, except to the extent such covenants and other terms apply solely to any period after the Maturity Date of the Term Loans being refinanced (*provided* that a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent in good faith at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (v), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to the Borrower of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)); and

(x) The proceeds of such Refinancing Term Loans or Refinancing Notes shall be substantially simultaneously applied to permanently prepay in whole or in part the applicable Refinanced Debt.

(b) The Borrower may approach any Lender or any other Person that would be an Eligible Transferee of Term Loans to provide all or a portion of the Refinancing Term Loans (a "**Refinancing Term Loan Lender**") or Refinancing Notes (a "**Refinancing Note Holder**"); *provided* that any Lender offered or approached to provide all or a portion of the Refinancing Term Loans and/or Refinancing Notes may elect or decline, in its sole discretion, to provide a Refinancing Term Loan or purchase Refinancing Notes. Any Refinancing Term Loans made on any Refinancing Effective Date shall be designated a series (a "**Refinancing Term Loan Series**") of Refinancing Term Loans for all purposes of this Agreement; *provided* that any Refinancing Term Loans may, to the extent provided in the applicable Refinancing Term Loan Amendment, be designated as an increase in any previously established Refinancing Term Loan Series of Refinancing Term Loans made to the Borrower.

(c) The Administrative Agent and the Lenders hereby consent to the transactions contemplated by Section 2.17(a) (including, for the avoidance of doubt, the payment of interest, fees, amortization or premium in respect of the Refinancing Term Loans and Refinancing Notes on the terms specified by the Borrower) and hereby waive the requirements of this Agreement or any other Credit Document that may otherwise prohibit any transaction contemplated by Section 2.17(a). The Refinancing Term Loans shall be established pursuant to an amendment to this Agreement among the Borrower and the

Refinancing Term Loan Lenders providing such Refinancing Term Loans (a " **Refinancing Term Loan Amendment** ") which shall be consistent with the provisions set forth in Section 2.17(a). The Refinancing Notes shall be established pursuant to a Refinancing Notes Indenture which shall be consistent with the provisions set forth in Section 2.17(a). Each Refinancing Term Loan Amendment shall be binding on the Lenders, the Administrative Agent, the Credit Parties party thereto and the other parties hereto without the consent of any other Lender and the Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Credit Documents as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of Section 2.17, including in order to establish new Tranches or sub-Tranches in respect of the Refinancing Term Loans and such technical amendments as may be necessary or appropriate in connection therewith and to adjust the amortization schedule in Section 4.02(a) (insofar as such schedule relates to payments due to Lenders the Term Loans of which are refinanced with the proceeds of Refinancing Term Loans; *provided* that no such amendment shall reduce the pro rata share of any such payment that would have otherwise been payable to the Lenders, the Term Loans of which are not refinanced with the proceeds of Refinancing Term Loans). The Administrative Agent shall be permitted, and each is hereby authorized, to enter into such amendments with the Borrower to effect the foregoing.

Section 2.18. *Reverse Dutch Auction Repurchases.* (l) Notwithstanding anything to the contrary contained in this Agreement or any other Credit Document, the Borrower may, at any time and from time to time, conduct reverse Dutch auctions in order to purchase Term Loans of a particular Tranche (each, an "**Auction**") (each such Auction to be managed exclusively by MLPFS or another investment bank of recognized standing selected by the Borrower following consultation with the Administrative Agent (in such capacity, the "**Auction Manager**")), so long as the following conditions are satisfied:

(i) each Auction shall be conducted in accordance with the procedures, terms and conditions set forth in this Section 2.18(a) and Schedule 2.18(a)(i);

(ii) no Default or Event of Default shall have occurred and be continuing on the date of the delivery of each auction notice and at the time of purchase of Term Loans in connection with any Auction;

(iii) the minimum principal amount (calculated on the face amount thereof) of all Term Loans that the Borrower offers to purchase in any such Auction shall be no less than $5,000,000 (unless another amount is agreed to by the Administrative Agent);

(iv) the Borrower shall not use the proceeds of any borrowing under the ABL Credit Agreement to finance any such repurchase;

(v) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans so purchased by the Borrower shall automatically be cancelled and retired by the Borrower on the settlement date of the relevant purchase

(and may not be resold);

(vi) no more than one Auction may be ongoing at any one time;

(vii) the Borrower shall make the Undisclosed Information Representation; *provided* this shall not require that the Borrower not be in possession of material non-public information with respect to the Borrower or any of its Subsidiaries; and

(viii) at the time of each purchase of Term Loans through an Auction, the Borrower shall have delivered to the Auction Manager an officer's certificate of a Responsible Officer certifying as to compliance with preceding clauses (ii), (iv) and (vii).

(b) The Borrower must terminate an Auction if it fails to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to such Auction. If the Borrower commences any Auction (and all relevant requirements set forth above which are required to be satisfied at the time of the commencement of such Auction have in fact been satisfied), and if at such time of commencement the Borrower believes in good faith that all required conditions set forth above which are required to be satisfied at the time of the purchase of Term Loans pursuant to such Auction shall be satisfied, then the Borrower shall have no liability to any Lender for any termination of such Auction as a result of its failure to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to the such Auction, and any such failure shall not result in any Default or Event of Default hereunder. With respect to all purchases of Term Loans made by the Borrower pursuant to this Section 2.18, (x) the Borrower shall pay on the settlement date of each such purchase all accrued and unpaid interest (except to the extent otherwise set forth in the relevant offering documents), if any, on the purchased Term Loans up to the settlement date of such purchase and (y) such purchases (and the payments made by the Borrower and the cancellation of the purchased Term Loans, in each case in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Sections 4.01, 4.02 or Section 12.06. At the time of purchases of Term Loans pursuant to an Auction, the then remaining Scheduled Repayments shall be reduced by the aggregate principal amount (taking the face amount thereof) of Term Loans repurchased pursuant to such Auction, with such reduction to be applied to such Scheduled Repayments on a pro rata basis (based on the then remaining principal amount of each such Scheduled Repayments).

(c) The Administrative Agent and the Lenders hereby consent to the Auctions and the other transactions contemplated by this Section 2.18 (*provided* that no Lender shall have an obligation to participate in any such Auctions) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 4.01, 4.02 and Section 12.06 (it being understood and acknowledged that purchases of the Term Loans by the Borrower contemplated by this Section 2.18 shall not constitute Investments by the Borrower)) or any other Credit Document that may otherwise prohibit any Auction or any

other transaction contemplated by this Section 2.18. The Auction Manager acting in its capacity as such hereunder shall be entitled to the benefits of the provisions of Article 11 and Section 12.01 *mutatis mutandis* as if each reference therein to the "Administrative Agent" were a reference to the Auction Manager, and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Auction.

Section 2.19. *Open Market Purchases.* (m) Notwithstanding anything to the contrary contained in this Agreement or any other Credit Document, the Borrower or any of its Restricted Subsidiaries or any of its or their Affiliates may, at any time and from time to time, make open market purchases of Term Loans (each, an "**Open Market Purchase**"), so long as the following conditions are satisfied:

(i) no Default or Event of Default shall have occurred and be continuing on the date of such Open Market Purchase or result therefrom;

(ii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans purchased pursuant to this Section 2.19 shall not exceed 15% of the then outstanding Term Loan Commitments;

(iii) the Borrower or any of its Restricted Subsidiaries shall not use the proceeds of any borrowing under the ABL Credit Agreement to finance any such repurchase;

(iv) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans so purchased by the Borrower or any of its Restricted Subsidiaries shall automatically be cancelled and retired by the Borrower on the settlement date of the relevant purchase (and may not be resold);

(v) the Borrower shall make the Undisclosed Information Representation; *provided* this shall not require that the Borrower not be in possession of material non-public information with respect to the Borrower or any of its Subsidiaries; and

(vi) at the time of each purchase of Term Loans through Open Market Purchases, the Borrower shall have delivered to the Administrative Agent an officer's certificate of a Responsible Officer certifying as to compliance with preceding clauses (i), (iv) and (v).

(b) With respect to all purchases of Term Loans made by the Borrower pursuant to this Section 2.19, (x) the Borrower shall pay on the settlement date of each such purchase all accrued and unpaid interest, if any, on the purchased Term Loans up to the settlement date of such purchase (except to the extent otherwise set forth in the relevant purchase documents as agreed by the respective selling Lender) and (y) such purchases (and the payments made by the Borrower and the cancellation of the purchased Term Loans, in each case in connection therewith) shall not constitute voluntary or mandatory payments or

prepayments for purposes of Sections 4.01, 4.02 or 12.06. At the time of purchases of Term Loans pursuant to any Open Market Purchase, the then remaining Scheduled Repayments shall be reduced by the aggregate principal amount (taking the face amount thereof) of Term Loans repurchased pursuant to such Open Market Purchase, with such reduction to be applied to such Scheduled Repayments on a pro rata basis (based on the then remaining principal amount of each such Scheduled Repayments).

(c) The Administrative Agent and the Lenders hereby consent to the Open Market Purchases contemplated by this Section 2.19 and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 4.01, 4.02 and 12.06 (it being understood and acknowledged that purchases of the Term Loans by the Borrower contemplated by this Section 2.19 shall not constitute Investments by the Borrower)) or any other Credit Document that may otherwise prohibit any Open Market Purchase by this Section 2.19.

Section 2.20. *Canadian Interest Considerations.* The parties hereto intend to comply with applicable law relating to usury. Notwithstanding any other provision of this Agreement or any other Credit Document, in no event shall any Credit Document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by applicable law or in an amount or at a rate that would result in the receipt by the Lender or the Agents of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). Where more than one applicable law applies to the Credit Parties, the Credit Parties shall not be obliged to make payment in an amount or at a rate higher than the lowest permitted amount or rate. If from any circumstance whatever, fulfilment of any provision of any Credit Document would result in exceeding the highest rate or amount permitted by applicable law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount. If from any circumstance the Agents or the Lenders shall ever receive anything of value as interest or deemed interest under any Credit Document that would result in exceeding the highest lawful rate or amount of interest permitted by applicable law, the amount that would be excessive interest shall be applied to the reduction of the principal amount of the relevant Term Loan, and not to the payment of interest, or if the excessive interest exceeds the unpaid principal balance of the relevant Term Loan, the amount exceeding the unpaid balance shall be refunded to the Credit Parties. In determining whether or not the interest paid or payable under any specified contingency exceeds the highest lawful rate, the Credit Parties, the Agents and the Lenders shall, to the maximum extent permitted by applicable law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and their effects, (iii) amortize, prorate, allocate and spread the total amount of interest throughout the term of the applicable Term Loan so that interest does not exceed the maximum amount permitted by applicable law, and/or (iv) allocate interest between portions of the Obligations to the end that no portion shall bear interest at a rate greater than that permitted by applicable law. For the purposes of the *Criminal Code* (Canada), if there is any dispute as to the calculation of the effective annual rate of interest, the determination of a Fellow of the Canadian Institute of Actuaries appointed by the Agents shall be

conclusive.

ARTICLE 3
FEES; REDUCTIONS OF COMMITMENT

Section 3.01. *Fees.* (n) The Borrower shall pay to the Administrative Agent for distribution to each Incremental Lender such fees and other amounts, if any, as are specified in the relevant Incremental Commitment Agreement, with the fees and other amounts, if any, to be payable on the relevant Incremental Term Loan Borrowing Date.

(a) The Borrower agrees to pay to the Administrative Agent such fees as may be agreed to in writing from time to time by the Borrower or any of its Subsidiaries and the Administrative Agent.

(b) At the time of the effectiveness of any Repricing Transaction that is consummated prior to the sixth month anniversary of the Closing Date, the Borrower agrees to pay to the Administrative Agent, for the ratable account of each Lender with outstanding Initial Term Loans that are repaid or prepaid (and/or converted) pursuant to such Repricing Transaction (including each Lender that withholds its consent to such Repricing Transaction and is replaced as a Non-Consenting Lender under Section 12.20), a fee in an amount equal to 1.00% of (x) in the case of a Repricing Transaction of the type described in clause (1) of the definition thereof, the aggregate principal amount of all Initial Term Loans prepaid (or converted) by Borrower in connection with such Repricing Transaction and (y) in the case of a Repricing Transaction of the type described in clause (2) of the definition thereof, the aggregate principal amount of all Initial Term Loans outstanding with respect to the Borrower on such date that are subject to an effective reduction of the Applicable Margin pursuant to such Repricing Transaction. Such fees shall be due and payable upon the date of the effectiveness of such Repricing Transaction.

Section 3.02. *Mandatory Reduction of Commitments.* (o) In addition to any other mandatory commitment reductions pursuant to this Section 3.02, the Total Initial Term Loan Commitment shall terminate in its entirety on the Closing Date (after giving effect to the incurrence of Initial Term Loans on such date).

(a) In addition to any other mandatory commitment reductions pursuant to this Section 3.02, the Total Incremental Term Loan Commitment pursuant to an Incremental Term Loan Commitment Agreement (and the Incremental Term Loan Commitment of each Lender with such a Commitment) shall terminate in its entirety on the Incremental Term Loan Borrowing Date for such Total Incremental Term Loan Commitment (after giving effect to the incurrence of the relevant Incremental Term Loans on such date).

(b) Each reduction to the Total Initial Term Loan Commitment and the Total Incremental Term Loan Commitment under a given Tranche pursuant to this Section 3.02 as provided above (or pursuant to Section 4.02) shall be applied proportionately to reduce the Initial Term Loan Commitment or the Incremental Term Loan Commitment under such Tranche, as the case may be, of each Lender with such a Commitment.

ARTICLE 4

PREPAYMENTS; PAYMENTS; TAXES

Section 4.01. *Voluntary Prepayments.* (p) The Borrower shall have the right to prepay the Term Loans, without premium or penalty (other than as provided in Section 3.01(c)), in whole or in part at any time and from time to time on the following terms and conditions: (a) the Borrower shall give the Administrative Agent at its Notice Office written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay the Term Loans, whether such Term Loans are Initial Term Loans or Incremental Term Loans of a given Tranche, the amount of the Term Loans to be prepaid, the Types of Term Loans to be repaid, the manner in which such prepayment shall apply to reduce the Scheduled Repayments and, in the case of LIBO Rate Term Loans, the specific Borrowing or Borrowings pursuant to which made, which notice shall be given by the Borrower (x) prior to 11:00 a.m.(New York City time) at least one Business Day prior to the date of such prepayment in the case of Term Loans maintained as Base Rate Term Loans and (y) prior to 11:00 a.m.(New York City time) at least three Business Days prior to the date of such prepayment in the case of LIBO Rate Term Loans (or, in the case of clause (x) and (y), such shorter period as the Administrative Agent shall agree in its sole and absolute discretion), and be promptly transmitted by the Administrative Agent to each of the Lenders; (b) each partial prepayment of Term Loans pursuant to this Section 4.01(a) shall be in an aggregate principal amount of at least $1,000,000 or such lesser amount as is acceptable to the Administrative Agent, *provided* that if any partial prepayment of LIBO Rate Term Loans made pursuant to any Borrowing shall reduce the outstanding principal amount of LIBO Rate Term Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount applicable thereto, then if such Borrowing is a Borrowing of LIBO Rate Term Loans, such Borrowing shall automatically be converted into a Borrowing of Base Rate Term Loans and any election of an Interest Period with respect thereto given by the Borrower shall have no force or effect; (c) each prepayment pursuant to this Section 4.01(a) in respect of any Term Loans made pursuant to a Borrowing shall be applied pro rata among such Term Loans, *provided* that it is understood and agreed that this clause (iii) may be modified as expressly provided in Section 2.15 in connection with an Extension Amendment; (d) each prepayment of principal of Initial Term Loans and Incremental Term Loans of a given Tranche pursuant to this Section 4.01(a) shall be applied as directed by the Borrower in the applicable notice of prepayment delivered pursuant to Section 4.01(a) or, if no such direction is given (i) *first*, to reduce the Scheduled Repayments of the applicable Tranche which will become due within twelve months after the date of such repayment in direct order of maturity of the dates of such Scheduled Repayments, and (ii) *second*, to the extent in excess of the amount applied as provided in the preceding clause (1), to reduce the then remaining Scheduled Repayments of the applicable Tranche of Term Loans on a pro rata basis (based upon the then remaining unpaid principal amounts of the Scheduled Repayments of such Tranche of Term Loans after giving effect to all prior reductions thereto). Notwithstanding anything to the contrary contained in this Agreement, any such notice of prepayment pursuant to Section 4.01(a), if such prepayment would have resulted in a refinancing of all of the Term Loans and Commitments, may state that it is conditioned upon the occurrence or non-occurrence of any event specified therein (including the effectiveness

of other credit facilities), in which case such notice may be revoked by the Borrower (by written notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(c) In the event (e) of a refusal by a Lender to consent to certain proposed changes, amendments, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 12.11(b), or (f) any Lender becomes a Defaulting Lender, the Borrower may, upon five (5) Business Days' prior written notice to the Administrative Agent at the Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders) repay all Term Loans, together with accrued and unpaid interest, Fees and other amounts owing to such Lender in accordance with, and subject to the requirements of, said Section 12.11(b), so long as the consents, if any, required under Section 12.11(b) in connection with the repayment pursuant to clause (b) have been obtained. Each prepayment of any Term Loan pursuant to this Section 4.01(b) shall reduce the then remaining Scheduled Repayments of the applicable Tranche of Term Loans on a pro rata basis (based upon the then remaining unpaid principal amounts of Scheduled Repayments of the respective Tranche after giving effect to all prior reductions thereto).

Section 4.02. *Mandatory Repayments.* (q) In addition to any other mandatory repayments pursuant to this Section 4.02, on each date set forth below (each, a "**Scheduled Initial TL Repayment Date**"), the Borrower shall be required to repay that principal amount of Initial Term Loans, to the extent then outstanding, as is set forth opposite each such date below (each such repayment, as the same may be reduced as provided in this Agreement, including in Section 2.18, 2.19, 4.01 or 4.02(h), or as a result of the application of prepayments in connection with any Extension as provided in Section 2.15, a "**Scheduled Initial TL Repayment**"):

Scheduled Initial TL Repayment Date		Amount
August 31, 2014	$	1,125,000
November 30, 2014	$	1,125,000
February 28, 2015	$	1,125,000
May 31, 2015	$	1,125,000
August 31, 2015	$	1,125,000
November 30, 2015	$	1,125,000
February 29, 2016	$	1,125,000
May 31, 2016	$	1,125,000
August 31, 2016	$	1,125,000
November 30, 2016	$	1,125,000
February 28, 2017	$	1,125,000
May 30, 2017	$	1,125,000
August 31, 2017	$	1,125,000
November 30, 2017	$	1,125,000
February 28, 2018	$	1,125,000
May 31, 2018	$	1,125,000
August 31, 2018	$	1,125,000
November 30, 2018	$	1,125,000
February 28, 2019	$	1,125,000
May 31, 2019	$	1,125,000
August 31, 2019	$	1,125,000
November 30, 2019	$	1,125,000
February 29, 2020	$	1,125,000
May 31, 2020	$	1,125,000
August 31, 2020	$	1,125,000
November 30, 2020	$	1,125,000
February 28, 2021	$	1,125,000
Initial Maturity Date for Initial Term Loans	$	419,625,000

(a) In addition to any other mandatory repayments pursuant to this Section 4.02, the Borrower shall be required to make, with respect to each new Tranche (*i.e.*, other than Initial Term Loans, which are addressed in the preceding clause (a)) of Incremental Term Loans to the extent then outstanding, scheduled amortization payments of such Tranche of Incremental Term Loans on the dates and in the principal amounts set forth in the Incremental Term Loan Commitment Agreement applicable thereto (each such repayment, as the same may be reduced as provided in this Agreement, including in Sections 2.18, 2.19, 4.01 and 4.02(h), a "**Scheduled Incremental TL Repayment**").

(b) In addition to any other mandatory repayments pursuant to this Section 4.02, within five (5) Business Days following each date on or after the Closing Date upon which the Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any issuance or incurrence of Indebtedness (other than Indebtedness permitted to be incurred

pursuant to Section 9.04 (other than Section 9.04(xxvi)), an amount equal to 100% of the Net Debt Proceeds therefrom shall be applied as a mandatory repayment in accordance with the requirements of Sections 4.02(h) and (i).

(c) In addition to any other mandatory repayments pursuant to this Section 4.02, unless the Leverage Step-Down Trigger has occurred (following which occurrence this Section 4.02(d) shall cease to apply), within five (5) Business Days following each date on or after the Closing Date upon which the Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any issuances of Equity Interests by the Borrower, 100% of the Net Equity Proceeds therefrom, or such lesser amount as shall be necessary to cause the Leverage Step-Down Trigger to occur, shall be applied as a mandatory repayment in accordance with the requirements of Sections 4.02(h) and (i).

(d) In addition to any other mandatory repayments pursuant to this Section 4.02, within five Business Days following each date on or after the Closing Date upon which the Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any Asset Sale of Term Priority Collateral, an amount equal to 100% of the Net Sale Proceeds therefrom shall be applied as a mandatory repayment in accordance with the requirements of Sections 4.02(h) and (i); *provided*, *however*, with respect to no more than $7,500,000 in the aggregate of such Net Sale Proceeds received by the Borrower and its Restricted Subsidiaries in any fiscal year of the Borrower, such Net Sale Proceeds shall not be required to be so applied or used to make mandatory repayments of Term Loans if no Event of Default then exists. Notwithstanding the foregoing, the Borrower may deliver within 45 days of the date of receipt of such Net Sale Proceeds a certificate to the Administrative Agent setting forth that portion of such Net Sale Proceeds that the Borrower and/or its Restricted Subsidiaries, as the case may be, intends to reinvest in the purchase of assets useful in the business of the Borrower and its Restricted Subsidiaries, in each case to be used in the business of the Borrower and its Restricted Subsidiaries within 12 months following the date of receipt of such proceeds (or, if within such 12-month period, the Borrower or any of its Restricted Subsidiaries enters into a binding commitment to so reinvest such Net Sale Proceeds, within 18 months following the date of receipt of such proceeds); *provided*, *further*, that if within 12 months (or, to the extent applicable, 18 months) after the date of receipt by the Borrower or its Restricted Subsidiaries of such Net Sale Proceeds, the Borrower or its Restricted Subsidiaries have not so used all or a portion of such Net Sale Proceeds otherwise required to be applied as a mandatory repayment pursuant to this sentence, the remaining portion of such Net Sale Proceeds shall be applied as a mandatory repayment in accordance with the requirements of Sections 4.02(h) and (i) on the last day of such 12-month (or, to the extent applicable, 18-month) period.

(e) In addition to any other mandatory repayments pursuant to this Section 4.02, on each Excess Cash Flow Payment Date, an amount equal to the remainder of (a) the Applicable Prepayment Percentage of the Excess Cash Flow for the related Excess Cash Flow Payment Period less (b) the aggregate amount of (i) all voluntary prepayments of Term Loans made pursuant to Section 4.01(a) and prepayments of revolving loans under the ABL Credit Agreement or any other revolving credit facility secured by a Lien on the Collateral

ranking senior or pari passu with the Lien on the Collateral securing the Indebtedness hereunder or under the ABL Credit Agreement, in each case, to the extent accompanied by permanent reductions in commitments therefor, during such Excess Cash Flow Payment Period with Internally Generated Cash and (ii) all dollars spent on the repurchase of Term Loans (including through Auctions and Open Market Purchases), during such Excess Cash Flow Payment Period, shall be applied as a mandatory repayment in accordance with the requirements of Sections 4.02(h) and (i).

(f) In addition to any other mandatory repayments pursuant to this Section 4.02, within 10 days following each date on or after the Closing Date upon which the Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any Recovery Event, an amount equal to 100% of the Net Recovery Event Proceeds from such Recovery Event shall be applied as a mandatory repayment in accordance with the requirements of Section 4.02(h) and (i); *provided*, *however*, with respect to no more than $7,500,000 in the aggregate of such Net Recovery Event Proceeds received by the Borrower and its Restricted Subsidiaries in any fiscal year of the Borrower, such Net Recovery Event Proceeds shall not give rise to a mandatory repayment within such ten-day period to the extent that no Event of Default then exists. Notwithstanding the foregoing, the Borrower may deliver within 45 days of the date of receipt of such Net Recovery Event Proceeds a certificate to the Administrative Agent setting forth that portion of such Net Recovery Event Proceeds that the Borrower and/or its Restricted Subsidiaries, as the case may be, intends to (c) in the case of a Recovery Event in respect of ABL Priority Collateral, (x) prepay Indebtedness under the ABL Credit Agreement or any other Indebtedness secured by Liens ranking senior to the Liens securing the Indebtedness hereunder on such ABL Priority Collateral and in the case of revolving borrowings, to the extent accompanied by permanent reductions in commitments with respect thereto or (y) apply such cash proceeds in accordance with clause (ii) below or (d) in the case of a Recovery Event with respect to Term Priority Collateral, reinvest in the purchase of assets useful in the business of the Borrower and its Restricted Subsidiaries, in each case to be used in the business of the Borrower and its Restricted Subsidiaries within 12 months following the date of receipt of such proceeds (or, if within such 12-month period, the Borrower or any of its Restricted Subsidiaries enters into a binding commitment to so reinvest in such Net Sale Proceeds, within 18 months following the date of receipt of such proceeds) (and, in connection therewith, shall thereafter promptly provide such other information with respect to such reinvestment as the Administrative Agent may from time to time reasonably request); *provided*, *further*, that if within 12 months (or, to the extent applicable, 18 months) after the date of receipt by the Borrower or any of its Restricted Subsidiaries of such Net Recovery Event Proceeds, the Borrower or any of its Restricted Subsidiaries have not so used all or a portion of such Net Recovery Event Proceeds otherwise required to be applied as a mandatory repayment pursuant to this sentence, the remaining portion of such Net Recovery Event Proceeds shall be applied as a mandatory repayment in accordance with the requirements of Sections 4.02(h) and (i) on the last day of such 12-month (or, to the extent applicable, 18-month) period, as the case may be.

(g) Each amount required to be applied pursuant to Section 4.02(c), (d), (d), (f) and (g) in accordance with this Section 4.02(h) shall be applied to repay the outstanding

principal amount of Term Loans, with each Tranche of then outstanding Term Loans to be allocated its Term Loan Percentage of each amount so required to be applied. Except as otherwise provided below, all repayments of outstanding Term Loans of a given Tranche pursuant to Sections 4.02(c), (d), (d), (f) and (g) (and applied pursuant to this clause (h)) shall be applied to reduce the Scheduled Repayments of the applicable Tranche in direct order of maturity of such Scheduled Repayments.

(h) With respect to each repayment of Term Loans required by this Section 4.02, the Borrower may (subject to the priority payment requirements of Section 4.02(h)) designate the Types of Term Loans of the applicable Tranche which are to be repaid and, in the case of LIBO Rate Term Loans, the specific Borrowing or Borrowings of the applicable Tranche pursuant to which such LIBO Rate Term Loans were made, *provided* that: (e) repayments of LIBO Rate Term Loans pursuant to this Section 4.02 may only be made on the last day of an Interest Period applicable thereto unless all such LIBO Rate Term Loans of the applicable Tranche with Interest Periods ending on such date of required repayment and all Base Rate Term Loans of the applicable Tranche have been paid in full; and (f) each repayment of any Term Loans made pursuant to a Borrowing shall be applied pro rata among such Term Loans. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion.

(i) In addition to any other mandatory repayments pursuant to this Section 4.02, all then outstanding Term Loans of any Tranche of Term Loans shall be repaid in full on the Maturity Date for such Tranche of Term Loans.

(j) Notwithstanding any other provisions of this Section 4.02, (g) to the extent that any or all of the Net Sale Proceeds of any Asset Sale by a Foreign Subsidiary (a "**Foreign Asset Sale**"), the Net Recovery Event Proceeds of any Recovery Event incurred by a Foreign Subsidiary (a "**Foreign Recovery Event**") or Excess Cash Flow attributable to Foreign Subsidiaries are prohibited or delayed by applicable local law or applicable organizational documents of such Foreign Subsidiary from being repatriated to the United States, the portion of such Net Sale Proceeds, Net Recovery Event Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 4.02 but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law or applicable organizational documents of such Foreign Subsidiary will not permit repatriation to the United States (the Borrower hereby agreeing to use all commercially reasonable efforts to overcome or eliminate any such restrictions on repatriation and/or minimize any such costs of prepayment and/or use the other cash sources of the Borrower and its Restricted Subsidiaries to make the relevant prepayment), and if within one year following the date on which the respective prepayment would otherwise have been required such repatriation of any of such affected Net Sale Proceeds, Net Recovery Event Proceeds or Excess Cash Flow is permitted under the applicable local law or applicable organizational documents of such Foreign Subsidiary, such repatriation will be immediately effected and such repatriated Net Sale Proceeds, Net Recovery Event Proceeds or Excess Cash Flow will be promptly (and in any event not later than two Business Days after such

repatriation) applied (net of additional taxes payable or reserved against as a result thereof and additional costs relating to such repatriation) to the repayment of the Term Loans pursuant to this Section 4.02 and (h) to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Sale Proceeds of any Foreign Asset Sale, Net Recovery Event Proceeds of any Foreign Asset Sale or Foreign Recovery Event or Foreign Subsidiary Excess Cash Flow would have adverse tax cost consequences with respect to such Net Sale Proceeds, Net Recovery Event Proceeds or Excess Cash Flow, such Net Sale Proceeds, Net Recovery Event Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary.

(k) Notwithstanding any other provisions of this Section 4.02, except in the case of a mandatory prepayment of the type described in Section 4.02(d), each Lender shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the Borrower.

Section 4.03. *Method and Place of Payment* . All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for or any counterclaim, defense recoupment or setoff. Except as otherwise specifically provided herein, all payments under this Agreement and under any Note shall be made to the Administrative Agent or the account of the Lender or Lenders entitled thereto not later than 11:00 a.m.(New York City time) on the date when due and shall be made in U.S. Dollars in immediately available funds at the Payment Office of the Administrative Agent. Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

Section 4.04. *Net Payments. (r)* All payments made by or on account of any Credit Party under any Credit Document shall be made free and clear of, and without deduction or withholding for, any Taxes, except as required by applicable law (as determined in the good-faith discretion of the withholding agent). If any Indemnified Taxes or Other Taxes are required to be withheld or deducted from such payments, then the Credit Parties jointly and severally agree that *(a)* to the extent such deduction or withholding is on account of an Indemnified Tax or Other Tax, the sum payable by the Credit Parties shall be increased as necessary so that after making all required deductions or withholding (including deduction or withholdings applicable to additional sums payable under this Section 4.04), the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions or withholdings been made, *(b)* the applicable withholding agent will make such deductions or withholdings, and *(c)* the applicable withholding agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. In addition, the Credit Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law. As soon as practicable after any payment of Indemnified Taxes or Other Taxes to a Governmental Authority, the Credit Parties will furnish to the Administrative Agent certified copies of tax receipts evidencing such payment by the applicable Credit

Party, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. The Credit Parties jointly and severally agree to indemnify and hold harmless the Administrative Agent and each Lender, and reimburse the Administrative Agent and each Lender, within 10 days of written request therefor, for the amount of any Indemnified Taxes (including any Indemnified Taxes imposed on amounts payable under this Section 4.04) payable or paid by the Administrative Agent or such Lender or required to be withheld or deducted from a payment to the Administrative Agent or such Lender, and any Other Taxes, and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(a) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or a reduce rate of, withholding Tax. In addition, each Lender shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether such Lender is subject to backup withholding or information reporting requirements. Each Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documents required below in Section 4.04(c)) expired, obsolete or inaccurate in any respect, deliver promptly to the Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the Borrower or the Administrative Agent) or promptly notify the Borrower and the Administrative Agent in writing of its inability to do so.

(b) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower: (x) Each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower and the Administrative Agent on or prior to the Closing Date or, in the case of a Lender that is a Lender to the Borrower and that is an assignee or transferee of an interest under this Agreement pursuant to Section 12.04 or Section 12.20 (unless the relevant Lender was already a Lender hereunder immediately prior to such assignment or transfer), on the date of such assignment or transfer to such Lender, (d) two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party or Form W-8ECI (or successor form), or (e) in the case of a Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," "a certificate

substantially in the form of Exhibit C (any such certificate, a " **U.S. Tax Compliance Certificate**") and two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) certifying to such Lender's entitlement as of such date to a complete exemption from U.S. withholding tax with respect to payments of interest to be made under this Agreement and under any Note; or (f) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership or a participating Lender), two accurate and complete original signed copies of Internal Revenue Service Form W-8IMY (or successor form) of the Lender, accompanied by Form W-8ECI, Form W-8BEN, U.S. Tax Compliance Certificate, Form W-8IMY, and/or any other required information (or successor or other applicable form) from each beneficial owner that would be required under this Section 4.04(c) if such beneficial owner were a Lender (*provided* that, if the Lender is a partnership for U.S. federal income Tax purposes (and not a participating Lender), and one or more beneficial owners are claiming the portfolio interest exemption), the U.S. Tax Compliance Certificate may be provided by such Lender on behalf of such beneficial owners); (y) Each Lender to the Borrower that is a United States person, as defined in Section 7701(a)(30) of the Code, shall deliver to the Borrower and the Administrative Agent, at the times specified in Section 4.04(b), two accurate and complete original signed copies of Internal Revenue Service Form W-9, or any successor form that such Person is entitled to provide at such time, in order to qualify for an exemption from U.S. federal backup withholding requirements; and (z) if any payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by applicable law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA or to determine, if necessary, the amount to deduct and withhold from such payment. Solely for purposes of this Section 4.04(c)(z), "**FATCA**" shall include any amendment made to FATCA after the Closing Date.

Notwithstanding any other provision of this Section 4.04, a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

(c) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Credit Parties or with respect to which a Credit Party has paid additional amounts pursuant to Section 4.04(a), it shall pay to the relevant Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under Section 4.04(a) with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses, including any Taxes, of the Administrative Agent or

such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the relevant Credit Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Credit Party (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 4.04(d), in no event will the Administrative Agent or any Lender be required to pay any amount to any Credit Party pursuant to this Section 4.04(d) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than such party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 4.04 shall not be construed to require any Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or any other Person.

(d) Each party's obligations under this Section 4.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

ARTICLE 5
CONDITIONS PRECEDENT TO CREDIT EVENTS ON THE CLOSING DATE

The obligation of each Lender to make Term Loans on the Closing Date, is subject at the time of the making of such Term Loans to the satisfaction or waiver of the following conditions:

Section 5.01. *Closing Date; Credit Documents; Notes* . On or prior to the Closing Date, the Borrower, the Administrative Agent and each of the Lenders on the date hereof shall have signed a counterpart of this Agreement in form and substance satisfactory to each Lender and the Administrative Agent (whether the same or different counterparts) and shall have delivered (by electronic transmission or otherwise) the same to the Administrative Agent.

Section 5.02. *Officer's Certificate*. On the Closing Date, the Administrative Agent shall have received a certificate, dated the Closing Date and signed on behalf of the Borrower (and not in any individual capacity) by a Responsible Officer of the Borrower, certifying on behalf of the Borrower that all of the conditions in Sections 5.06, 5.07 and 5.15 have been satisfied on such date.

Section 5.03. *Opinions of Counsel*. On the Closing Date, the Administrative Agent shall have received an opinion addressed to the Administrative Agent and each of the Lenders and dated the Closing Date in form and substance reasonably satisfactory to the Administrative Agent from *(g)* Paul, Weiss, Rifkind, Wharton & Garrison LLP, special

counsel to the Credit Parties, *(h)* Stikeman Elliott LLP, special Canadian counsel to the Credit Parties and *(i)* local counsel to the Credit Parties reasonably satisfactory to the Administrative Agent practicing in those jurisdictions in which the Credit Parties are organized (if organized other than under the laws of Delaware and New York).

Section 5.04. *Corporate Documents; Proceedings, etc*. (a) On the Closing Date, the Administrative Agent shall have received a certificate from each Credit Party, dated the Closing Date, signed by a Responsible Officer of such Credit Party, and attested to by the Secretary or any Assistant Secretary of such Credit Party, in the form of Exhibit E with appropriate insertions, together with copies of the certificate or articles of incorporation and by-laws (or equivalent organizational documents), as applicable, of such Credit Party and the resolutions of such Credit Party referred to in such certificate, and each of the foregoing shall be in form and substance reasonably satisfactory to the Administrative Agent.

(b) On the Closing Date, the Administrative Agent shall have received good standing certificates and bring-down telegrams or facsimiles, if any, or equivalents, for the Credit Parties which the Administrative Agent or either Joint Lead Arranger reasonably may have requested, certified by proper governmental authorities.

Section 5.05. *Termination of Existing Credit Agreement* . The Borrower and its Subsidiaries shall have repaid in full all Indebtedness outstanding under the Existing Credit Agreement, together with all accrued but unpaid interest, fees and other amounts owing thereunder (other than contingent indemnification obligations not yet due and payable and letters of credit rolled over on the Closing Date pursuant to the terms of the ABL Credit Agreement) and *(s)* all commitments to lend or make other extensions of credit thereunder shall have been terminated and *(t)* all security interests and hypothecs in respect of, and Liens securing, the Indebtedness and other obligations thereunder created pursuant to the security documentation relating thereto shall have been terminated and released (or arrangements therefor reasonably satisfactory to the Administrative Agent shall have been made), and the Administrative Agent shall have received all such releases as may have been reasonably requested by the Administrative Agent, which releases shall be in form and substance reasonably satisfactory to Administrative Agent, including, without limiting the foregoing, *(a)* proper termination statements (Form UCC-3 or the appropriate equivalent) and discharges for filing under the UCC, the PPSA or equivalent statute or regulation of each jurisdiction where a financing statement or application for registration (Form UCC-1 or the appropriate equivalent) was filed with respect to the Borrower or any of its Subsidiaries in connection with the security interests created with respect to the Existing Credit Agreement and *(b)* terminations or reassignments of any security interest in, or Lien on, any patents, trademarks or copyrights of the Borrower or any of its Subsidiaries solely to the extent that such security interests or Liens are granted pursuant to the Existing Credit Agreement and *(u)* the Borrower and its Subsidiaries shall have made arrangements reasonably satisfactory to the Administrative Agent for the cancellation of any letters of credit outstanding thereunder that are not rolling over on the Closing Date pursuant to the terms of the ABL Credit Agreement (if any).

Section 5.06. *Consummation of the Acquisition*. (v) Substantially concurrently with the occurrence of the Closing Date, the Acquisition shall have been consummated pursuant to, and in accordance with, the terms and conditions of the Acquisition Agreement.

(b) On the Closing Date, (x) the Administrative Agent shall have received true and correct copies of all material Acquisition Documents, certified as such by an appropriate officer of the Borrower, and (y) the Acquisition Agreement (including all schedules and exhibits thereto) shall be in full force and effect.

Section 5.07. *Company Material Adverse Effect*. Since October 31, 2013, there shall not have occurred a Company Material Adverse Effect.

Section 5.08. *Pledge Agreements*. On the Closing Date, each Credit Party (as applicable) shall have duly authorized, executed and delivered, as applicable, the U.S. Pledge Agreement and the Canadian Pledge Agreement substantially in the form of Exhibits O-1 and O-2 (respectively) (together, as each may be amended, modified, restated and/or supplemented from time to time, the "**Pledge Agreements**") and shall have delivered to the Collateral Agent, as Pledgee thereunder, all of the Pledge Agreement Collateral (in the case of Equity Interests), if any, referred to therein and then owned by such Credit Party together with executed and undated endorsements for transfer in the case of Equity Interests constituting certificated Pledge Agreement Collateral, along with evidence that all other actions necessary, to perfect (to the extent required in the Pledge Agreements) the security interests in Equity Interests purported to be created by the Pledge Agreements have been taken.

Section 5.09. *Security Agreements*. (a) On the Closing Date, each Credit Party shall have duly authorized, executed and delivered, as applicable, the U.S. Security Agreement covering all of such Credit Party's present and future Collateral referred to therein, and shall have delivered:

(i) proper financing statements (Form UCC-1 or the equivalent) authorized for filing under the UCC or other appropriate filing offices of each jurisdiction as may be reasonably necessary or desirable to perfect the security interests purported to be created by the U.S. Security Agreement; and

(ii) certified copies, each of a recent date, of (x) requests for information or copies (Form UCC-1), or equivalent reports as of a recent date, listing all effective financing statements that name the Borrower or any other Credit Party as debtor and that are filed in the jurisdictions referred to in clause (i) above, together with copies of such other financing statements that name the Borrower or any other Credit Party as debtor (none of which shall cover any of the Collateral except to the extent evidencing Permitted Liens, (y) United States Patent and Trademark Office and the United States Copyright Office searches reasonably requested by the Administrative Agent and (z) reports as of a recent date listing all effective tax and judgment liens with respect to the Borrower or any other Credit Party in each jurisdiction as the Agents may reasonably require.

(b) On the Closing Date, each Credit Party, as applicable, shall have duly authorized, executed and delivered the Canadian Security Agreement covering all of such Credit Party's present and future Collateral referred to therein, and shall have delivered:

(i) RPMRR registrations and PPSA financing statements filed under the PPSA of each jurisdiction or other appropriate filing offices as may be reasonably necessary or desirable to perfect the security interests purported to be created by the Canadian Security Agreement; and

(ii) certified copies, each of a recent date, of (x) RPMRR, PPSA, Bank Act (Canada), or equivalent reports as of a recent date, listing all effective financing statements or other registrations that name the Borrower or any other Credit Party as debtor and that are filed in the jurisdictions referred to in clause (i) above, together with copies of such other financing statements or other registrations that name the Borrower or any other Credit Party as debtor (none of which shall cover any of the Collateral except to the extent evidencing Permitted Liens, (y) Canadian Intellectual Property Office searches reasonably requested by the Administrative Agent and (z) reports as of a recent date listing all effective executions, writs and judgment liens with respect to the Borrower or any other Credit Party in each jurisdiction as the Agents may reasonably require.

Section 5.10. [*Reserved*].

Section 5.11. *Subsidiaries Guaranty*. On the Closing Date, each Subsidiary Guarantor shall have duly authorized, executed and delivered the Subsidiaries Guaranty substantially in the form of Exhibit H (as amended, amended and restated, modified or supplemented from time to time, the "**Subsidiaries Guaranty**"), guaranteeing all of the obligations of the Borrower as more fully provided therein.

Section 5.12. *Financial Statements; Pro Forma Balance Sheets; Projections* . On or prior to the Closing Date, the Agents and the Lenders shall have received *(a)* the audited consolidated balance sheets and related consolidated statements of operations, cash flows and shareholders' equity for the Borrower for the three most recently completed fiscal years of the Borrower, ended at least 90 days before the Closing Date; *(b)* the unaudited consolidated balance sheets and related statements of operations and cash flows of the Borrower for each subsequent fiscal quarter of the Borrower (other than the fourth fiscal quarter), ended at least 45 days before the Closing Date and (iii) pro forma consolidated balance sheet and related statement of operations of the Borrower and its Subsidiaries (including the Acquired Business as of and for the twelve months ending December 31, 2013 as reflected in the Financial Statements (as defined in the Acquisition Agreement)) as of and for the twelve-month period ending with the latest quarterly period of the Borrower covered by the financial statements referred to in clause (ii), all of which shall be prepared in accordance with IFRS.

Section 5.13. *Solvency Certificate*. On the Closing Date, the Administrative Agent shall have received a solvency certificate from the chief financial officer of the Borrower

substantially in the form of Exhibit I.

Section 5.14. *Fees, etc*. On the Closing Date, the Borrower shall have paid to the Agents and each Lender all costs, fees and expenses (including, without limitation, legal fees and expenses to the extent invoiced at least two Business Days prior the Closing Date) and other compensation payable to the Agents or such Lender or otherwise payable in respect of the Transaction to the extent then due.

Section 5.15. *Closing Date Representation and Warranties* . All Acquisition Agreement Representations shall be true and correct in all material respects on the Closing Date, and all Specified Representations made by any Credit Party shall be true and correct in all material respects on the Closing Date (in each case, any representation or warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on the Closing Date).

Section 5.16. *Patriot Act and Canadian AML Acts* . The Agent shall have received from the Credit Parties all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Canadian AML Acts, in each case to the extent requested in writing at least 10 days prior to the Closing Date.

Section 5.17. *Borrowing Notice*. Prior to the making of a Term Loan on the Closing Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03(a). Each of the requirements set forth in Sections 5.08 and 5.09 above (except *(c)* to the extent that a Lien on such Collateral may under applicable law be perfected upon closing by the filing of financing statements (or other local equivalent) under the Uniform Commercial Code or the PPSA and *(d)* the delivery of stock certificates of the Borrower and its Wholly-Owned Domestic Subsidiaries (including Guarantors but other than Immaterial Subsidiaries) to the extent included in the Collateral, with respect to which a Lien may be perfected upon closing by the delivery of a stock certificate) shall not constitute conditions precedent to any Credit Events on the Closing Date after the Borrower's use of commercially reasonable efforts to satisfy such requirements without undue burden or expense, to provide such items on or prior to the Closing Date if the Borrower agrees to deliver, or cause to be delivered, such documents and instruments, or take or cause to be taken such other actions as may be required to perfect such security interests within ninety (90) days after the Closing Date (subject to extensions approved by the Administrative Agent in its reasonable discretion).

Without limiting the generality of the provisions of the last paragraph of Section 11.03, for purposes of determining compliance with the conditions specified in this Article 5, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

ARTICLE 6

CONDITIONS PRECEDENT TO ALL CREDIT EVENTS AFTER THE CLOSING DATE

The obligation of each Lender to make Term Loans after the Closing Date (other than the incurrence of any Incremental Term Loans which, except as set forth below, shall be governed by Section 6.01), to the satisfaction of the following conditions:

Section 6.01. *Incremental Term Loans* . Prior to the incurrence of any Incremental Term Loans on a given Incremental Term Loan Borrowing Date the Borrower shall have satisfied (or caused to be satisfied) all of the applicable conditions set forth in Section 2.16 and the relevant Incremental Term Loan Commitment Agreement. The acceptance of the benefits of each Credit Event after the Closing Date shall constitute a representation and warranty by the Borrower to the Administrative Agent and each of the Lenders that all the conditions specified in this Article 6 and applicable to such Credit Event are satisfied as of that time (other than such conditions which are subject to the discretion of the Administrative Agent or the Lenders). All of the Notes, certificates, legal opinions and other documents and papers referred to in Article 5 and in this Article 6, unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Lenders.

Section 6.02. *Notice of Borrowing* . Prior to the making of each Term Loan after the Closing Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03(a).

ARTICLE 7

REPRESENTATIONS, WARRANTIES AND AGREEMENTS

In order to induce the Lenders to enter into this Agreement and to make the Term Loans, the Borrower makes the following representations, warranties and agreements, in each case after giving effect to the Transaction.

Section 7.01. *Organizational Status*. The Borrower and each of its Restricted Subsidiaries *(e)* is a duly organized and validly existing corporation, partnership, limited liability company or unlimited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, *(f)* has the corporate, partnership, limited liability company or unlimited holding company power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and *(g)* is, to the extent such concepts are applicable under the laws of the relevant jurisdiction, duly qualified and is authorized to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such qualifications except for failures to be so qualified which, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Material Adverse Effect.

Section 7.02. *Power and Authority*. Each Credit Party has the corporate, partnership, limited liability company or unlimited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is party and has taken all necessary corporate, partnership, limited liability company or unlimited liability company action, as the case may be, to authorize the execution, delivery and performance by it of each of such Credit Documents. Each Credit Party thereof has duly executed and delivered each of the Credit Documents to which it is party, and each of such Credit Documents constitutes its legal, valid and binding obligation enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

Section 7.03. *No Violation*. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, *(h)* will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality, *(i)* will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of any Credit Party or any of its respective Restricted Subsidiaries pursuant to the terms of, any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which any Credit Party or any of its Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject (except, in the case of preceding clauses (i) and (ii), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect) or *(j)* will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of any Credit Party or any of its respective Restricted Subsidiaries.

Section 7.04. *Approvals*. Except to the extent the failure to obtain or make the same would not reasonably be expected to have a Material Adverse Effect, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except for (x) those that have otherwise been obtained or made on or prior to the Closing Date and which remain in full force and effect on the Closing Date and (y) filings which are necessary to perfect the security interests or hypothecs created under the Security Documents), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to be obtained or made by, or on behalf of, any Credit Party to authorize, or is required to be obtained or made by, or on behalf of, any Credit Party in connection with, the execution, delivery and performance of any Credit Document.

Section 7.05. *Financial Statements; Financial Condition; Projections*. (w) (a) The consolidated balance sheets of the Borrower and its consolidated Subsidiaries for each of

the fiscal years ended May 31, 2011, May 31, 2012 and May 31, 2013, respectively, and the related consolidated statements of income, cash flows and retained earnings of the Borrower and its consolidated Subsidiaries for each such fiscal year present fairly in all material respects the consolidated financial position of the Borrower and its consolidated Subsidiaries at the dates of such balance sheets and the consolidated results of the operations of the Borrower and its consolidated Subsidiaries for the periods covered thereby. All of the foregoing historical financial statements have been audited by KPMG LLP and prepared in accordance with IFRS consistently applied.

(iii) All unaudited financial statements of the Borrower and its Subsidiaries furnished to the Lenders on or prior to the Closing Date pursuant to clause (i) of Section 5.12, have been prepared in accordance with IFRS consistently applied by the Borrower, except as otherwise noted therein, subject to normal year-end audit adjustments (all of which are of a recurring nature and none of which, individually or in the aggregate, would be material) and the absence of footnotes.

(iv) The pro forma consolidated balance sheet of the Borrower furnished to the Lenders pursuant to clause (iii) of Section 5.12 has been prepared as of December 31, 2013 as if the Transaction and the financing therefor had occurred on such date. Such pro forma consolidated balance sheet presents a good faith estimate of the pro forma consolidated financial position of the Borrower as of December 31, 2013. The pro forma consolidated statement of operations of the Borrower furnished to the Lenders pursuant to clause (iii) of Section 5.12 has been prepared as of and for the twelve month period ending with the latest quarterly period of the Borrower covered by the financial statements referred to in clause (ii) of Section 5.12, as if the Transaction and the financing therefor had occurred on the first day of such four-quarter period. Such pro forma consolidated statement of operations presents a good faith estimate of the pro forma consolidated statement of operations of the Borrower as if the Transaction and the financing therefor had occurred on the first day of such four-quarter period.

(e) On and as of the Closing Date, after giving effect to the consummation of the Transaction and the related financing transactions (including the incurrence of all Term Loans), the Borrower and its Subsidiaries, taken as a whole, are not nor will they immediately become, Insolvent.

(f) The Projections have been prepared in good faith and are based on assumptions that were believed by the Borrower to be reasonable at the time made and at the time delivered to the Administrative Agent.

(g) After giving effect to the Transaction (but for this purpose assuming that the Transaction and the related financing had occurred prior to May 31, 2013), since May 31, 2013 there has been no Material Adverse Effect, and there has been no change, event or occurrence that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 7.06. *Litigation*. There are no actions, suits or proceedings pending or, to the knowledge of any Credit Party, threatened *(b)* with respect to the Transaction or any Credit Document or *(c)* that either individually or in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect.

Section 7.07. *True and Complete Disclosure* . (x) All written information (taken as a whole) furnished by or on behalf of any Credit Party in writing to the Administrative Agent or any Lender (including, without limitation, all such written information contained in the Credit Documents) for purposes of or in connection with this Agreement, the other Credit Documents or any transaction contemplated herein or therein does not, and all other such written information (taken as a whole) hereafter furnished by or on behalf of any Credit Party in writing to the Administrative Agent or any Lender will not, on the date as of which such written information is dated or certified, contain any material misstatement of fact or omit to state any material fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such written information was provided.

(c) Notwithstanding anything to the contrary in the foregoing clause (a) of this Section 7.07, none of the Credit Parties makes any representation, warranty or covenant with respect to any information consisting of statements, estimates, forecasts and projections regarding the future performance of the Borrower or any of its Subsidiaries, or regarding the future condition of the industries in which they operate other than that such information has been (and in the case of such information furnished after the Closing Date, will be) prepared in good faith based upon assumptions believed to be reasonable at the time of preparation thereof.

Section 7.08. *Use of Proceeds; Margin Regulations* . (y) All proceeds of the Term Loans incurred on the Closing Date will be used by the Borrower to finance, in part, the Acquisition and the Refinancing and to pay the Transaction Costs.

(b) All proceeds of Incremental Term Loans will be used for the purpose set forth in Section 2.16(a).

(c) No part of any Credit Event (or the proceeds thereof) will be used to, directly or indirectly, and whether immediately, incidentally, or ultimately, purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock or to refund indebtedness originally incurred for such purpose. Neither the making of any Term Loan nor the use of the proceeds thereof nor the occurrence of any other Credit Event will violate the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

Section 7.09. *Tax Returns and Payments* . Except as would not reasonably be expected to result in a Material Adverse Effect, *(a)* the Borrower and each of its Subsidiaries has timely filed or caused to be timely filed with the appropriate taxing authority all Tax returns, statements, forms and reports for taxes (the "**Returns**") required to be filed by, or with respect to the income, properties or operations of, the Borrower and/or any of its

Subsidiaries, *(b)* the Returns accurately reflect in all material respects all liability for Taxes of the Borrower and its Subsidiaries for the periods covered thereby, and *(c)* the Borrower and each of its Subsidiaries have paid all Taxes payable by them, other than those that are being contested in good faith by appropriate proceedings and fully provided for as a reserve on the financial statements of the Borrower and its Subsidiaries in accordance with IFRS. There is no material action, suit, proceeding, investigation, audit or claim now pending or, to the best knowledge of the Borrower or any of its Subsidiaries, threatened in writing by any authority regarding any material Taxes relating to the Borrower or any of its Subsidiaries.

Section 7.10. *ERISA*. (z) No ERISA Event has occurred or is reasonably expected to occur that would reasonably be expected to result in a Material Adverse Effect. Each Plan is in compliance in form and operation with its terms and with the applicable provisions of ERISA, the Code and other applicable law, except for such non-compliance that would not reasonably be expected to have a Material Adverse Effect. Except as would not reasonably be expected to result in a Material Adverse Effect, each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is in the form of a prototype document that is the subject of a favorable opinion letter.

(e) There exists no Unfunded Pension Liability with respect to any Plan, except as would not reasonably be expected to have a Material Adverse Effect.

(f) If each of the Borrower, each Restricted Subsidiary of the Borrower and each ERISA Affiliate were to withdraw from all Multiemployer Plans in a complete withdrawal as of the date this assurance is given, the aggregate withdrawal liability that would be incurred would not reasonably be expected to have a Material Adverse Effect.

(g) There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of the Borrower, any Restricted Subsidiary of the Borrower or any ERISA Affiliate, threatened, which would reasonably be expected to be asserted successfully against any Plan and, if so asserted successfully, would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

(h) The Borrower, any Restricted Subsidiary of the Borrower and any ERISA Affiliate have made all material contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, the terms of such Plan or Multiemployer Plan, respectively, or any contract or agreement requiring contributions to a Plan or Multiemployer Plan except where any failure to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(i) Except as would not reasonably be expected to have a Material Adverse Effect: (a) each Foreign Pension Plan and Canadian Employee Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities; (b) all contributions required to be

made with respect to a Foreign Pension Plan, each Canadian Employee Plan and Canadian Statutory Plan have been timely made; and (c) neither the Borrower nor any of its Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Pension Plan or Canadian Employee Plan.

(j) Neither the Borrower nor any of its Subsidiaries maintains, contributes to, or has any liability or contingent liability with respect to, any Canadian Defined Benefit Plan as of the Closing Date, and thereafter, neither the Borrower nor any of its Subsidiaries maintains, contributes to, or has any liability or contingent liability with respect to, any Canadian Defined Benefit Plan, except as expressly permitted by Section 8.13.

Section 7.11. *The Security Documents*. (a) The provisions of the Security Agreements are effective to create in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest or hypothec (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) in all right, title and interest of the Credit Parties in the Collateral (as described in the Security Agreements), and upon (b) the timely and proper filing of financing statements listing each applicable Credit Party, as a debtor, and the Collateral Agent, as secured party, in the secretary of state's office (or other similar governmental entity) of the jurisdiction of organization of such Credit Party, (c) sufficient identification of commercial tort claims (as applicable), (d) the recordation of the Notice of Grant of Security Interest in U.S. federally registered or applied for patents, if applicable, and the Notice of Grant of Security Interest in U.S. federally issued or applied for trademarks, if applicable, in the respective form attached to the relevant Security Agreement, in each case in the United States Patent and Trademark Office, (e) the Notice of Grant of Security Interest in U.S. federally registered copyrights, if applicable, in the form attached to the relevant Security Agreement with the United States Copyright Office, and (f) the Confirmation of Grant of Security Interest in Canadian Copyrights, Patents and Trademarks, if applicable, in the form attached to the Canadian Security Agreement with the Canadian Intellectual Property Office, the Collateral Agent, for the benefit of the Secured Creditors, has (to the extent provided in the Security Agreements) a fully perfected security interest or hypothec in all right, title and interest in all of the Collateral (as described in the Security Agreements), subject to no other Liens other than Permitted Liens, in each case, to the extent perfection can be accomplished under applicable law through these actions. Notwithstanding anything herein to the contrary, the Credit Parties shall not be required to take any action to perfect any security interest in any Collateral consisting of Intellectual Property under the laws of any jurisdiction outside of the United States or Canada or any other Collateral under the laws of any jurisdiction outside of the United States and Canada (other than to perfect against any Equity Interests and/or debt obligation of **[Redacted – Name of Subsidiary]**).

(b) The provisions of the Pledge Agreements are effective to create in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest or hypothec (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) in all right, title and interest of the Credit Parties in the Collateral (as described in the Pledge Agreements), upon the timely and proper filing of financing statements (or other local equivalent) listing each applicable Credit Party, as a debtor, and Collateral Agent, as secured party, in the secretary of state's office (or other similar governmental entity) of the jurisdiction of organization of such Credit Party, the security interests or hypothecs created under the Pledge Agreements in favor of the Collateral Agent, as Pledgee, for the benefit of the Secured Creditors, constitute perfected (to the extent provided in the Pledge Agreements) security interests or hypothecs in the

Collateral (as described in the Pledge Agreements (other than Collateral in which a security interest or hypothec cannot be perfected under the UCC or PPSA as in effect at the relevant time in the relevant jurisdiction or by the taking of the foregoing actions), subject to no other Liens other than Permitted Liens, in each case, to the extent perfection can be accomplished under applicable law through these actions.

(c) Upon delivery in accordance with Section 8.11 or 8.12 as applicable, each Mortgage will create, as security for the obligations purported to be secured thereby, a valid and enforceable (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) and, upon recordation in the appropriate recording office, perfected security interest in and mortgage lien on the respective Mortgaged Property in favor of the Collateral Agent (or such other trustee as may be required or desired under local law) for the benefit of the Secured Creditors, superior and prior to the rights of all third Persons (except as may exist pursuant to the Permitted Encumbrances related thereto) and subject to no other Liens (other than Permitted Liens related thereto).

Section 7.12. *Properties*. All Real Property owned in fee by any Credit Party as of the Closing Date, and the nature of the interest therein, is correctly set forth in Schedule 7.12, which Schedule 7.12 also indicates each property that constitutes a Material Real Property as of the Closing Date. The Borrower and each of its Subsidiaries has good and marketable title or valid leasehold interest in the case of Real Property, and good and valid title in the case of tangible personal property and intangible property, to all material tangible and intangible properties owned by it, including all material property reflected in the most recent historical balance sheets referred to in Section 7.05(a) (except as sold or otherwise disposed of since the date of such balance sheet in the ordinary course of business or as permitted by the terms of this Agreement (or, to the extent disposed or disposed of prior to the Closing Date, the Existing Credit Agreement)), free and clear of all Liens, other than Permitted Liens.

Section 7.13. *Capitalization*. All outstanding shares of capital stock of the Borrower have been duly and validly issued and are fully paid and non-assessable (other than any assessment on the shareholders of the Borrower that may be imposed as a matter of law). The Borrower does not have outstanding any capital stock or other securities convertible into or exchangeable for its capital stock or any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

Section 7.14. *Subsidiaries*. On and as of the Closing Date and after giving effect to the consummation of the Transaction, the Borrower has no Subsidiaries other than those Subsidiaries listed on Schedule 7.14. Schedule 7.14 correctly sets forth, as of the Closing Date and after giving effect to the Transaction, the percentage ownership (direct and indirect) of the Borrower in each class of capital stock of each of its Subsidiaries and also identifies

the direct owner thereof.

Section 7.15. *Compliance with Statutes, OFAC Rules and Regulations; Patriot Act and Canadian AML Acts; FCPA* . (bb) Each of the Borrower and each of its Subsidiaries is in compliance with all applicable statutes, regulations and orders of (including any laws relating to terrorism, money laundering or embargoed persons, the Bank Secrecy Act, as amended by Title III of the USA PATRIOT Act, and the Canadian AML Acts), and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including, without limitation, applicable statutes, regulations, orders, directions and restrictions relating to environmental standards and controls).

(a) None of the Borrower or any Subsidiary is in violation of any of the foreign assets control regulations of the Office of Foreign Assets Control ("**OFAC**") of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or any other relevant sanctions authority applicable in countries where the Borrower or its Subsidiaries do business (collectively, "**Sanctions**"), and none of the Borrower or any Subsidiary or any Affiliate thereof is in violation of and shall not violate any of the country or list based economic and trade sanctions.

(b) None of the Borrower or any Subsidiary will, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as lender, underwriter, advisor, investor, or otherwise).

(c) The Borrower and each Subsidiary is in compliance in all material respects with the Foreign Corrupt Practices Act, 15 U.S.C.§§ 78dd-1, *et seq.,* as amended, and the rules and regulations thereunder (" **FCPA**"), the *Corruption of Foreign Public Officials Act* (Canada) and any foreign counterpart thereto applicable to the Borrower or such Subsidiary, and have instituted and maintain policies and procedures designed to ensure continued compliance therewith. Neither the Borrower nor, to the knowledge of the Borrower,or any Subsidiary, nor, to the knowledge of the Borrower, any director, officer, agent, employee, or other person acting on behalf of the Borrower or any of its Subsidiaries, is aware of or has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (i) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (ii) to a foreign official, foreign political party or party official or any candidate for foreign political office, and (iii) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to the Borrower or any Subsidiary or to any other Person, in violation of FCPA or the Corruption of Foreign Public Officials Act (Canada). No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official

of a political party, candidate for political office, or anyone else acting in an official capacity in violation of the FCPA or any other applicable anti-corruption law.

Section 7.16. *Investment Company Act*. None of the Borrower or any of its Restricted Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, required to be registered as such.

Section 7.17. *Environmental Matters*. (cc) The Borrower and each of its Subsidiaries are and have been in compliance with all applicable Environmental Laws and the requirements of any permits or certificates of approval issued under such Environmental Laws. There are no pending or, to the knowledge of any Credit Party, threatened Environmental Claims and no liabilities under any applicable Environmental Laws relating to the Borrower or any of its Subsidiaries or any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries (including any such claim or liability arising out of the ownership, lease or operation by the Borrower or any of its Subsidiaries of any Real Property formerly owned, leased or operated by the Borrower or any of its Subsidiaries but no longer owned, leased or operated by the Borrower or any of its Subsidiaries). There are no facts, circumstances, conditions or occurrences with respect to the business or operations of the Borrower or any of its Subsidiaries, or any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries (including any Real Property formerly owned, leased or operated by the Borrower or any of its Subsidiaries but no longer owned, leased or operated by the Borrower or any of its Subsidiaries) that would be reasonably expected (a) to form the basis of an Environmental Claim against the Borrower or any of its Subsidiaries, (b) to cause any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries to be subject to any restrictions on the ownership, lease, occupancy or transferability of such Real Property by the Borrower or any of its Subsidiaries under any applicable Environmental Law or (c) to give rise to liability under any applicable Environmental Law.

(a) Hazardous Materials have not at any time been generated, used, treated or stored on, or transported to or from, or Released on or from, any Real Property currently or formerly owned, leased or operated by the Borrower or any of its Subsidiaries where such generation, use, treatment, storage, transportation or Release has (d) violated or would be reasonably expected to violate any applicable Environmental Law, (e) given rise to or would be reasonably expected to give rise to an Environmental Claim or (f) given rise to or would be reasonably expected to give rise to liability under any applicable Environmental Law.

(b) Notwithstanding anything to the contrary in this Section 7.17, the representations and warranties made in this Section 7.17 shall be untrue only if the effect of any or all conditions, violations, claims, restrictions, failures and noncompliances of the types described above would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

For purposes of this Section 7.17, the terms **"Borrower"** and "**Subsidiary**" shall include any business or business entity (including a corporation) which is, in whole or in part, a predecessor of the Borrower or any Subsidiary.

Section 7.18. *Labor Relations*. Except as set forth in Schedule 7.18 and except to the extent the same has not, either individually or in the aggregate, had and would not reasonably be expected to have a Material Adverse Effect, *(dd)* there are no strikes, lockouts, slowdowns or other labor disputes pending against the Borrower or any of its Restricted Subsidiaries or, to the knowledge of each Credit Party, threatened against the Borrower or any of its Restricted Subsidiaries, *(ee)* the hours worked by and payments made to employees of the Borrower or any of its Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable federal, state, provincial, local, or foreign law dealing with such matters and *(ff)* to the knowledge of each Credit Party, no wage and hour department investigation has been made of the Borrower or any of its Restricted Subsidiaries.

Section 7.19. *Intellectual Property*. The Borrower and each of its Subsidiaries owns or has the right to use all the patents, trademarks, domain names, service marks, trade names, copyrights, applications and registration for any of the foregoing, inventions, industrial designs, trade secrets, formulas, proprietary information, technology, processes, know-how of any type, whether or not written (including, but not limited to, rights in computer programs, software and databases) and other similar intellectual property rights (collectively, "**Intellectual Property**"), used in, held for use in, or necessary for the present conduct of its respective business, without any known conflict with the Intellectual Property rights of others, except for such failures to own or have the right to use and/or conflicts as have not had, and would not reasonably be expected to have, a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries has infringed upon, misappropriated or otherwise violated any Intellectual Property rights of any Person and no claim or litigation alleging any of the foregoing is pending or, to the knowledge of the Borrower, threatened, except in each case as would not reasonably be expected to have a Material Adverse Effect.

Section 7.20. *Insurance*. The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates. Notwithstanding the foregoing, the Borrower and its Subsidiaries may self-insure with respect to such risks with respect to which companies of established reputation engaged in similar businesses in the same general area usually self-insure.

Section 7.21. *No Default*. No Default has occurred and is continuing, or would result from the consummation of the transactions contemplated by this Agreement or any other Credit Document.

ARTICLE 8
AFFIRMATIVE COVENANTS

The Borrower and each of its Restricted Subsidiaries hereby covenants and agrees that on and after the Closing Date and until the Term Loans and Notes (in each case together

with interest thereon), Fees and all other Obligations (other than any indemnification obligations arising hereunder which are not then due and payable) incurred hereunder and thereunder, are paid in full:

Section 8.01. *Information Covenants*. The Borrower will furnish to the Administrative Agent for distribution to each Lender:

(a) *Quarterly Financial Statements*. Within 45 days after the close of each of the first three quarterly accounting periods in each fiscal year of the Borrower, (a) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such quarterly accounting period and the related consolidated statements of income and retained earnings and statement of cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the corresponding quarterly accounting period in the prior fiscal year and comparable forecasted figures for such quarterly accounting period based on the corresponding forecasts delivered pursuant to Section 8.01(c), all of which shall be certified by a Responsible Officer of the Borrower that they fairly present in all material respects in accordance with IFRS the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes, and (b) management's discussion and analysis of the important operational and financial developments during such quarterly accounting period. If the Borrower has filed (within the time period required above) an interim financial report and related management's discussion and analysis with any Securities Commission pursuant to National Instrument 51-102 adopted by the Canadian Securities Administrators ("**NI 51-102**") for any fiscal quarter described above, then to the extent that such interim financial report and related management's discussion and analysis contains any of the foregoing items, the Lenders shall accept such filings in lieu of such items.

(b) *Annual Financial Statements*. Within 90 days after the close of each fiscal year of the Borrower, (c) the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income and retained earnings and statement of cash flows for such fiscal year setting forth (commencing with the Borrower's fiscal year ending May 31, 2014) comparative figures for the preceding fiscal year and comparable forecasted figures for such fiscal year based on the corresponding forecasts delivered pursuant to Section 8.01(c) or in the case of the fiscal year ending May 31, 2014, delivered to the Administrative Agent prior to the Closing Date and certified, in the case of consolidated financial statements, by KPMG LLP or other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent, together with an opinion of such accounting firm (which opinion shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) which demonstrates that such statements fairly present in all material respects in accordance with IFRS the financial condition of the Borrower and its Subsidiaries as of the date indicated and the results of their operations and changes in their cash flows for the periods indicated and (d)

management's discussion and analysis of the important operational and financial developments during such fiscal year. If the Borrower has filed (within the time period required above) annual financial statements and related management's discussion and analysis with any Securities Commission pursuant to NI 51-102 for any fiscal year described above, then to the extent that such annual financial statements and related management's discussion and analysis contains any of the foregoing items, the Lenders shall accept such filings in lieu of such items.

(c) *Forecasts*. No later than 90 days following the first day of each fiscal year of the Borrower (commencing with the Borrower's fiscal year ended May 31, 2015, a forecast in form reasonably satisfactory to the Administrative Agent (including projected statements of income, sources and uses of cash and balance sheets for the Borrower and its Subsidiaries on a consolidated basis) for each of the twelve months of such fiscal year prepared in detail, with appropriate discussions, the principal assumptions upon which such forecast is based.

(d) *Officer's Certificates*. At the time of the delivery of any Section 8.01 Financials, a Compliance Certificate, certifying on behalf of the Borrower that, to such Responsible Officer's knowledge after due inquiry, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall (e) if delivered with the financial statements required by Section 8.01(b), set forth in reasonable detail the amount of (and the calculations required to establish the amount of) Excess Cash Flow for the applicable Excess Cash Flow Payment Period, and (f) certify that there have been no changes to Annexes A through D and Annexes F through H, in each case of the Security Agreements and Annexes A through E of the Pledge Agreements, in each case since the Closing Date or, if later, since the date of the most recent certificate delivered pursuant to this Section 8.01(d), or if there have been any such changes, a list in reasonable detail of such changes (but, in each case with respect to this clause (ii), only to the extent that such changes are required to be reported to the Collateral Agent pursuant to the terms of such Security Documents) and whether the Borrower and the other Credit Parties have otherwise taken all actions required to be taken by them pursuant to such Security Documents in connection with any such changes.

(e) *Notice of Default, Litigation and Material Adverse Effect* . Promptly after any officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, notice of (g) the occurrence of any event which constitutes a Default or an Event of Default or any default or event of default under the ABL Credit Agreement or any refinancing thereof or any Permitted Junior Debt or other debt instrument in excess of the Threshold Amount, (h) any litigation or governmental investigation or proceeding pending against the Borrower or any of its Subsidiaries (x) which, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect or (y) with respect to any Credit Document, or (i) any other event, change or circumstance that has had, or would reasonably be expected to have, a Material Adverse Effect.

(f) *Other Reports and Filings* . Promptly after the filing or delivery thereof, copies

of all financial information, proxy materials and reports, if any, which the Borrower or any of its Subsidiaries shall publicly file with a Securities Commission or the SEC.

(g) *Environmental Matters*. Promptly after any officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, notice of one or more of the following environmental matters to the extent that such environmental matters, either individually or when aggregated with all other such environmental matters, would reasonably be expected to have a Material Adverse Effect:

(v) any pending or threatened Environmental Claim relating to the Borrower or any of its Subsidiaries or any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries;

(vi) any condition or occurrence on or arising from any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries that (i) results in noncompliance by the Borrower or any of its Subsidiaries with any applicable Environmental Law or (ii) would reasonably be expected to form the basis of an Environmental Claim against or give rise to liability under any applicable Environmental Law of the Borrower or any of its Subsidiaries or any such Real Property;

(vii) any condition or occurrence on any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries that could reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, lease, occupancy, use or transferability by the Borrower or any of its Subsidiaries of such Real Property under any Environmental Law; and

(viii) the taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property owned, leased or operated by the Borrower or any of its Subsidiaries as required by any Environmental Law or any governmental or other administrative agency and all notices received by the Borrower or any of its Subsidiaries from any government or governmental agency under, or pursuant to, Environmental Law which identify the Borrower or any of its Subsidiaries as potentially responsible parties for remediation costs or which otherwise notify the Borrower or any of its Subsidiaries of potential liability under Environmental Law.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the Borrower's or such Subsidiary's response thereto.

(h) *Notices to Holders of Permitted Junior or ABL Credit Agreement Debt* . Contemporaneously with the sending or filing thereof, the Borrower will provide to the Administrative Agent for distribution to each of the Lenders, any notices provided to, or received from, holders of (iii) any Permitted Junior Debt or other Indebtedness, in each case of this clause (A), with a principal amount in excess of the Threshold Amount or (iv) the

ABL Credit Agreement.

(i) *Financial Statements of Unrestricted Subsidiaries* . Simultaneously with the delivery of each set of Section 8.01 Financials, the related consolidating financial statements reflecting adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements.

(j) *Other Information*. From time to time, such other information (financial or otherwise) with respect to the Borrower or any of its Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Joint Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "**Platform**") and (b) certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Joint Lead Arrangers, and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 12.15); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

Section 8.02. *Books, Records and Inspections* . The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity with IFRS and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit officers and designated representatives of the Administrative Agent or any Lender to visit and inspect, under guidance of officers of the Borrower or such Restricted Subsidiary, any of the properties of the Borrower or such Restricted Subsidiary, and to examine the books of account of the Borrower or such Restricted Subsidiary and discuss the affairs, finances and accounts of the Borrower or such Restricted Subsidiary with, and be advised as to the same by, its and their

officers and independent accountants, all upon reasonable prior notice and at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or any such Lender may reasonably request; *provided* that the Administrative Agent shall give the Borrower an opportunity to participate in any discussions with its accountants; *provided further* that in the absence of the existence of an Event of Default, *(j)* only the Administrative Agent on behalf of the Lenders may exercise the rights of the Administrative Agent and the Lenders under this Section 8.02 and *(k)* the Administrative Agent shall not exercise its inspection rights under this Section 8.02 more often than two times during any fiscal year and only one such time shall be at the Borrower's expense; *provided*, *further*, *however*, that when an Event of Default exists, the Administrative Agent or any Lender and their respective designees may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice.

Section 8.03. *Maintenance of Property; Insurance*. (gg) The Borrower will, and will cause each of its Restricted Subsidiaries to, (a) keep all tangible property necessary to the business of the Borrower and its Restricted Subsidiaries in good working order and condition, ordinary wear and tear, casualty and condemnation excepted, (b) maintain with financially sound and reputable insurance companies insurance on all such property and against all such risks as is consistent and in accordance with industry practice for companies similarly situated owning similar properties and engaged in similar businesses as the Borrower and its Restricted Subsidiaries, and (c) furnish to the Administrative Agent, upon its request therefor, full information as to the insurance carried. The provisions of this Section 8.03 shall be deemed supplemental to, but not duplicative of, the provisions of any Security Documents that require the maintenance of insurance.

(c) If at any time the improvements on a Mortgaged Property are located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Borrower shall, or shall cause the applicable Credit Party to maintain, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and deliver to the Administrative Agent evidence of such insurance in form and substance reasonably acceptable to the Administrative Agent.

(d) The Borrower will, and will cause each of its Restricted Subsidiaries to, at all times keep its property insured in favor of the Collateral Agent, and all policies or certificates (or certified copies thereof) with respect to such insurance (and any other insurance maintained by the Borrower and/or such Restricted Subsidiaries) (d) shall be endorsed to the Collateral Agent's reasonable satisfaction for the benefit of the Collateral Agent (including, without limitation, by naming the Collateral Agent as loss payee, mortgagee and/or additional insured), (e) if agreed by the insurer (which agreement the Borrower shall use commercially reasonable efforts to obtain), shall state that such insurance policies shall not be canceled without at least 30 days' prior written notice thereof (or, with respect to non-payment of premiums, 10 days' prior written notice) by the respective insurer to the Collateral

Agent; *provided*, that the requirements of this Section 8.03(c) shall not apply to (x) insurance policies covering (i) directors and officers, fiduciary or other professional liability, (ii) employment practices liability, (iii) workers compensation liability, (iv) automobile and aviation liability, (v) health, medical, dental and life insurance, and (vi) (such other insurance policies and programs as the Collateral Agent may approve; and (y) self-insurance programs and (f) shall be deposited with the Collateral Agent.

(e) If the Borrower or any of its Restricted Subsidiaries shall fail to maintain insurance in accordance with this Section 8.03, or the Borrower or any of its Restricted Subsidiaries shall fail to so endorse and deposit all policies or certificates with respect thereto, after any applicable grace period, the Administrative Agent shall have the right (but shall be under no obligation) to procure such insurance, and the Credit Parties jointly and severally agree to reimburse the Administrative Agent for all reasonable costs and expenses of procuring such insurance.

Section 8.04. *Existence; Franchises*. The Borrower will, and will cause each of its Restricted Subsidiaries to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and, in the case of the Borrower and its Restricted Subsidiaries, its and their rights, franchises, licenses, permits, and Intellectual Property, in each case to the extent material; *provided*, *however*, that nothing in this Section 8.04 shall prevent (g) sales of assets and other transactions by the Borrower or any of its Restricted Subsidiaries in accordance with Section 9.02, (h) the abandonment by the Borrower or any of its Restricted Subsidiaries of any rights, franchises, licenses, permits, or Intellectual Property that the Borrower reasonably determines are no longer material to the operations of the Borrower and its Restricted Subsidiaries taken as a whole or (i) the withdrawal by the Borrower or any of its Restricted Subsidiaries of its qualification as a foreign corporation, partnership, limited liability company or unlimited liability company, as the case may be, in any jurisdiction if such withdrawal would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 8.05. *Compliance with Statutes, etc*. The Borrower will, and will cause each of its Subsidiaries to, comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls), except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 8.06. *Compliance with Environmental Laws* . (hh) The Borrower will comply, and will cause each of its Restricted Subsidiaries to comply, with all Environmental Laws and certificates of approval and permits applicable to, or required by, the ownership, lease, operation or use of Real Property now or hereafter owned, leased or operated by the Borrower or any of its Restricted Subsidiaries, except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and will promptly pay or cause to be paid all costs and expenses incurred in connection

with such compliance, and will keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws (other than Liens imposed on leased Real Property resulting from the acts or omissions of the owner of such leased Real Property or of other tenants of such leased Real Property who are not within the control of the Borrower or any of its Restricted Subsidiaries). Except as have not had, and would not reasonably be expected to have, a Material Adverse Effect, neither the Borrower nor any of its Restricted Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of, Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Borrower or any of its Restricted Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, except for Hazardous Materials generated, used, treated, stored, Released or disposed of at any such Real Properties or transported to or from such Real Properties in compliance with all applicable Environmental Laws.

(d) (a) After the receipt by the Administrative Agent or any Lender of any notice of the type described in Section 8.01(g), (b) at any time that the Borrower or any of its Restricted Subsidiaries are not in compliance with Section 8.06(a) or (c) at any time when an Event of Default is in existence, the Credit Parties will (in each case) jointly and severally provide, at the written request of the Administrative Agent, an environmental site assessment report, including a phase I and phase II report if required by the Administrative Agent, concerning any Mortgaged Property owned, leased or operated by the Borrower or any of its Restricted Subsidiaries (in the event of (i) or (ii) that is the subject of or could reasonably be expected to be the subject of such notice or noncompliance), prepared by an environmental consulting firm reasonably approved by the Administrative Agent, indicating the presence or absence of Hazardous Materials, compliance or non-compliance with all Environmental Laws and permits thereunder, and the reasonable worst case cost of any removal or remedial action in connection with any such Hazardous Materials on or non-compliance with Environmental Laws in connection with such Mortgaged Property. If the Credit Parties fail to provide the same within 30 days after such request was made, the Administrative Agent may order the same, the reasonable cost of which shall be borne by the Borrower, and the Credit Parties shall grant and hereby grant to the Administrative Agent and the Lenders and their respective agents access to such Mortgaged Property and specifically grant the Administrative Agent and the Lenders an irrevocable non-exclusive license to undertake such an environmental assessment at any reasonable time upon reasonable notice to the Borrower, all at the sole expense of the Credit Parties (who shall be jointly and severally liable therefor).

Section 8.07. *ERISA*. As soon as possible and, in any event, within ten (10) Business Days after the Borrower or any Restricted Subsidiary of the Borrower knows of the occurrence of any of the following, the Borrower will deliver to the Administrative Agent a certificate of a Responsible Officer of the Borrower setting forth the full details as to such occurrence and the action, if any, that the Borrower, such Restricted Subsidiary or an ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given or filed by the Borrower, such Restricted Subsidiary, the Plan administrator or such ERISA Affiliate to or with the PBGC or any other Governmental Authority, or a Plan

participant and any notices received by the Borrower, such Restricted Subsidiary or such ERISA Affiliate from the PBGC or any other Governmental Authority, or a Plan participant with respect thereto: that *(ii)* an ERISA Event has occurred that is reasonably expected to result in a Material Adverse Effect; *(jj)* there has been an increase in Unfunded Pension Liabilities since the date the representations hereunder are given, or from any prior notice, as applicable, in either case, which is reasonably expected to result in a Material Adverse Effect; *(kk)* there has been an increase in the estimated withdrawal liability under Section 4201 of ERISA, if the Borrower, any Restricted Subsidiary of the Borrower and the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans which is reasonably expected to result in a Material Adverse Effect, *(ll)* the Borrower, any Restricted Subsidiary of the Borrower or any ERISA Affiliate adopts, or commences contributions to, any Plan subject to Section 412 of the Code, or adopts any amendment to a Plan subject to Section 412 of the Code which is reasonably expected to result in a Material Adverse Effect, *(mm)* that a contribution required to be made with respect to a Foreign Pension Plan has not been timely made which failure is reasonably likely to result in a Material Adverse Effect; or *(nn)* that a Foreign Pension Plan has been or is reasonably expected to be terminated, reorganized, partitioned or declared insolvent and such event is reasonably expected to result in a Material Adverse Effect. The Borrower will also deliver to the Administrative Agent, upon request by the Administrative Agent, a complete copy of the most recent annual report (on Internal Revenue Service Form 5500-series, including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) filed with the Internal Revenue Service or other Governmental Authority of each Plan that is maintained or sponsored by the Borrower or a Restricted Subsidiary.

As soon as possible and, in any event, within ten (10) Business Days after the Borrower or any Subsidiary of the Borrower knows of the occurrence of any of the following, the Borrower will deliver to the Administrative Agent a certificate of a Responsible Officer of the Borrower setting forth the full details as to such occurrence and the action, if any, that the Borrower or such Subsidiary is required or proposes to take, together with any notices required or proposed to be given or filed by the Borrower, such Subsidiary or the Canadian Pension Plan administrator to or with any Governmental Authority, or a Canadian Pension Plan participant and any notices received by the Borrower or such Subsidiary from any Governmental Authority, or a Canadian Pension Plan participant with respect thereto: (a) that a contribution required to be made with respect to a Canadian Employee Plan or Canadian Statutory Plan has not been timely made which failure is reasonably likely to result in a Material Adverse Effect; (b) that Canadian Unfunded Pension Liability has arisen in an amount exceeding the Threshold Amount or in such amount as would reasonably be expected to result in a Material Adverse Effect; or (c) that a Canadian Pension Plan has been or is reasonably expected to be terminated, reorganized, partitioned or declared insolvent and such event is reasonably expected to result in a Material Adverse Effect. The Borrower will also deliver to the Administrative Agent, upon request by the Administrative Agent, a complete copy of the most recent annual report (including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) filed with each Governmental Authority in respect

of each Canadian Pension Plan that is maintained or sponsored by the Borrower or a Subsidiary.

Section 8.08. *Performance of Obligations*. The Borrower will, and will cause each of its Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement, loan agreement or credit agreement and each other agreement, contract or instrument by which it is bound, except such non-performances as, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Material Adverse Effect.

Section 8.09. *Payment of Taxes*. The Borrower will pay and discharge prior to or when due, and will cause each of its Subsidiaries to pay and discharge, all material Taxes imposed upon it or upon its income or profits or upon any properties belonging to it, and all material lawful claims which, if unpaid, might become a Lien or charge upon any properties of the Borrower or any of its Subsidiaries not otherwise permitted under Section 9.01(i); *provided* that neither the Borrower nor any of its Subsidiaries shall be required to pay any such Tax which is being contested in good faith and by appropriate proceedings if it has maintained adequate reserves with respect thereto in accordance with IFRS.

Section 8.10. *Use of Proceeds*. The Borrower will use the proceeds of the Term Loans only as provided in Section 7.08.

Section 8.11. *Additional Security; Further Assurances; etc*.

(a) The Borrower will, and will cause each of the other Credit Parties that are Restricted Subsidiaries of the Borrower to, grant to the Collateral Agent for the benefit of the Secured Creditors security interests in and mortgage liens on such assets and properties (in the case of Real Property, limited to Material Real Property) of the Borrower and such other Credit Parties that are Restricted Subsidiaries of the Borrower as are not covered by the original Security Documents and as may be reasonably requested from time to time by the Administrative Agent or the Required Lenders (collectively, as may be amended, modified or supplemented from time to time, the "**Additional Security Documents**"); *provided* that (a) the pledge of the outstanding capital stock of any FSHCO or CFC shall be limited to (x) no more than sixty-five percent (65%) of the total combined voting power for all classes of the voting Equity Interests of such FSHCO or CFC and (y) one-hundred percent (100%) of the non-voting Equity Interests of such FSHCO or CFC, (b) mortgage liens shall not be required with respect to any Real Property that is not Material Real Property and (c) security interests and mortgage liens shall not be required with respect to any assets or properties to the extent that such security interests or mortgage liens would result in a material adverse tax consequence to the Borrower or its Restricted Subsidiaries, as reasonably determined by the Borrower and notified in writing to the Administrative Agent. All security interests and mortgage liens shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and (subject to exceptions as are reasonably acceptable to the Administrative Agent) shall constitute, upon taking all necessary perfection action (which the Credit Parties agree to promptly take) valid and enforceable perfected security interests and mortgage liens (except to the extent that the

enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law), subject to the ABL/Term Intercreditor Agreement, superior to and prior to the rights of all third Persons and subject to no other Liens except for Permitted Liens. The Additional Security Documents or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect (subject to exceptions as are reasonably acceptable to the Administrative Agent) the Liens in favor of the Collateral Agent required to be granted pursuant to the Additional Security Documents and all Taxes, fees and other charges payable in connection therewith shall be paid in full. Notwithstanding any other provision in this Agreement or any other Credit Document, no FSHCO or CFC shall be required to pledge any of its assets to secure any obligations of the Borrower under the Credit Documents or guarantee the obligations of the Borrower under the Credit Documents). In connection with any Additional Security Documents for any Material Real Property, the Borrower shall cause the Mortgage Collateral Requirement to be satisfied. "**Mortgage Collateral Requirement**" means that (i) the Administrative Agent shall receive, in order to comply with the Flood Laws, (A) a completed standard flood hazard determination form, (B) if the improvement(s) to the improved Material Real Property is located in a special flood hazard area, a notification to the borrower and (if applicable) notification to the Borrower that flood insurance coverage under the National Flood Insurance Program is or is not available in that community, (C) documentation evidencing the Borrower's receipt of such notice to Borrower (e.g., countersigned notice) and (D) if such notice is required to be given and flood insurance is available in the community in which the property is located, a copy of one of the following: the flood insurance policy, the Borrower's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued, or such other evidence of flood insurance satisfactory to the Administrative Agent; and (ii) with respect to each Mortgage, the Administrative Agent shall receive (A) a fully paid policy of title insurance (or "pro forma" or marked up commitment having the same effect of a title insurance policy) in form and substance reasonably satisfactory to the Administrative Agent and (B) an opinion of counsel (other than as to title to such Material Real Property) for the jurisdiction in which the Material Real Property covered by such Mortgage is located. Notwithstanding anything herein to the contrary, the Credit Parties shall not be required to take any action to perfect any security interest in any Collateral consisting of Intellectual Property under the laws of any jurisdiction outside of the United States or Canada or any other Collateral under the

laws of any jurisdiction outside of the United States or Canada (other than to perfect against any Equity Interests and/or debt obligation of **[Redacted – Name of Subsidiary]**).

(b) Subject to the terms of the ABL/Term Intercreditor Agreement, with respect to any person that is or becomes a Restricted Subsidiary after the Closing Date, promptly (d) deliver to the Collateral Agent the certificates, if any, representing all (or such lesser amount as is required) of the Equity Interests of such Subsidiary, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Credit Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Credit Party (to the extent required pursuant to the Security Agreements), (e) cause such new Subsidiary (other than an Excluded Subsidiary) (i) to execute a joinder agreement to the Subsidiaries Guaranty and a joinder agreement to each applicable Security Document, substantially in the form annexed thereto, (ii) if such new Subsidiary owns any Material Real Property, cause such new Subsidiary to comply with Section 8.11(a) as to such Material Real Property, and (iii) to take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent and (f) at the request of the Administrative Agent, deliver to the Administrative Agent a signed copy of an opinion, addressed to the Administrative Agent and the other Lenders, of counsel to the Credit Parties reasonably acceptable to the Administrative Agent as to such matters set forth in this Section 8.11(b) as the Administrative Agent may reasonable request.

(c) The Borrower will, and will cause each of the other Credit Parties that are Restricted Subsidiaries of the Borrower to, at the expense of the Borrower, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent, promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent, at Borrower's expense, any additional Security Document or document or instrument supplemental to or confirmatory of the Security Documents, including opinions of counsel, or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except for Permitted Liens or as otherwise permitted by the applicable Security Document.

(d) If the Administrative Agent reasonably determines that it or the Lenders are required by law or regulation to have appraisals prepared in respect of any Mortgaged Property, the Borrower will, at its own expense, provide to the Administrative Agent appraisals which (to the extent applicable) satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of the Financial Institution Reform, Recovery and Enforcement Act of 1989, as amended, and which shall otherwise be in form and substance reasonably satisfactory to the Administrative Agent.

(e) The Borrower agrees that each action required by clauses (a) through (d) of this Section 8.11 shall be completed as soon as reasonably practicable, but in no event later than 90 days after such action is required to be taken pursuant to such clauses or requested to be taken by the

Administrative Agent or the Required Lenders (or such longer period as the Administrative Agent shall otherwise agree), as the case may be; *provided* that, in no event will the Borrower or any of its Restricted Subsidiaries be required to take any action, other than using its commercially reasonable efforts, to obtain consents from third parties with respect to its compliance with this Section 8.11.

Section 8.12. *Post-Closing Actions*. The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 8.12 as soon as commercially reasonable and by no later than the date set forth in Schedule 8.12 with respect to such action or such later date as the Administrative Agent may reasonably agree.

Section 8.13. *Permitted Acquisitions*. (oo) Subject to the provisions of this Section 8.13 and the requirements contained in the definition of Permitted Acquisition, the Borrower and its Restricted Subsidiaries may from time to time after the Closing Date effect Permitted Acquisitions, so long as (in each case except to the extent the Required Lenders otherwise specifically agree in writing in the case of a specific Permitted Acquisition):

(a) no Event of Default shall have occurred and be continuing at the time of the consummation of the proposed Permitted Acquisition or immediately after giving effect thereto;

(b) the Acquired Entity or Business shall be engaged in a business permitted by Section 9.09;

(c) the aggregate consideration paid by the Borrower and its Restricted Subsidiaries in connection with Permitted Acquisitions consummated from and after the Closing Date where the Acquired Entity or Business does not become a Subsidiary Guarantor (in the case of an Acquired Entity) or owned by a Subsidiary Guarantor (in the case of a Business) shall not exceed (x) the greater of $60,000,000 and 7.50% of Consolidated Total Assets, *plus* (y) the Available Amount,

(d) after completion of the Permitted Acquisition, neither the Borrower nor any of its Subsidiaries maintains, contributes to, or has any liability or contingent liability with respect to Canadian Defined Benefit Plans, where Canadian Unfunded Pension Liability exists in an amount exceeding the Threshold Amount or in such amount as would reasonably be expected to result in a Material Adverse Effect; and

(e) the Borrower shall have delivered to the Administrative Agent and each Lender a certificate executed by its chief financial officer or treasurer, certifying to the best of such officer's knowledge, compliance with the requirements of the preceding clauses (i) through (iv), inclusive.

(d) At the time of each Permitted Acquisition involving the creation or acquisition of a Restricted Subsidiary, or the acquisition of Equity Interests of any Person, the Equity Interests thereof created or acquired in connection with such Permitted Acquisition shall be

pledged for the benefit of the Secured Creditors pursuant to (and to the extent required by) the Pledge Agreement; *provided* that the pledge of the outstanding capital stock of any FSHCO or CFC shall be limited to (x) no more than sixty-five percent (65%) of the total combined voting power for all classes of the voting Equity Interests of such Foreign Subsidiary and (y) one-hundred percent (100%) of the non- voting Equity Interest of such FSHCO or CFC; *provided* that for the avoidance of doubt, no FSHCO or CFC shall be required to pledge any of its assets in connection with any such Permitted Acquisition.

(e) The Borrower shall cause each Restricted Subsidiary (other than an Excluded Subsidiary, subject to clause (a)(iii) of Section 8.13(a)) which is formed to effect, or is acquired pursuant to, a Permitted Acquisition to comply with, and to execute and deliver all of the documentation as and to the extent required by, Section 8.11, to the reasonable satisfaction of the Administrative Agent.

(f) The consummation of each Permitted Acquisition shall be deemed to be a representation and warranty by the Borrower that the certifications pursuant to this Section 8.13 are true and correct in all material respects and that all conditions thereto have been satisfied and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Articles 7 and 10.

Section 8.14. *Credit Ratings*. The Borrower shall use commercially reasonable efforts to maintain a corporate credit rating from S&P and a corporate family rating from Moody's, in each case, with respect to the Borrower, and a credit rating from S&P and Moody's with respect to the Indebtedness incurred pursuant to this Agreement, in all cases, but not a specific rating.

Section 8.15. *Designation of Subsidiaries*. The Borrower may at any time after the Closing Date designate any Subsidiary acquired or created after the Closing Date as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary by written notice to the Administrative Agent; *provided* that *(f)* immediately before and after such designation, no Event of Default shall have occurred and be continuing, *(g)* immediately after giving effect to such designation, the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, as of the last day of the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), does not exceed 5.50 to 1.00, *(h)* in the case of the designation of any Subsidiary as an Unrestricted Subsidiary, such designation shall constitute an Investment in such Unrestricted Subsidiary for purposes of Section 9.05 (calculated as

an amount equal to the sum of (x) the net worth of the Subsidiary designated immediately prior to such designation (such net worth to be calculated without regard to any Obligations of such Subsidiary under the Subsidiaries Guaranty) and (y) the aggregate principal amount of any Indebtedness owed by the Subsidiary to the Borrower or any of its Subsidiaries immediately prior to such designation, all calculated, except as set forth in the parenthetical to clause (x) above, on a consolidated basis in accordance with IFRS), and such Investment must otherwise be permitted at such time under Section 9.05, *(i)* no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "Restricted Subsidiary" for the purpose of (I) the ABL Credit Agreement, (II) any Refinancing Notes Indenture, any Permitted Junior Notes Document or (III) any other debt instrument, in the case of this clause (III), with a principal amount in excess of the Threshold Amount, *(j)* immediately after giving effect to the designation of an Unrestricted Subsidiary as a Restricted Subsidiary, the Borrower shall comply with the provisions of Section 8.11 with respect to such designated Restricted Subsidiary, *(k)* no Restricted Subsidiary may be a Subsidiary of an Unrestricted Subsidiary, *(l)* in the case of the designation of any Subsidiary as an Unrestricted Subsidiary, no recourse whatsoever (whether by contract or by operation of law or otherwise) may be had to the Borrower or any of its Restricted Subsidiaries or any of their respective properties or assets for any obligations of such Unrestricted Subsidiary, and *(m)* the Borrower shall have delivered to the Administrative Agent and each Lender a certificate executed by its chief financial officer or treasurer, certifying to the best of such officer's knowledge, compliance with the requirements of the preceding clauses (i) through (vii), inclusive, and containing the calculations (in reasonable detail) required by the preceding clause (ii). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a return on any Investment by the Borrower in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of the Borrower's Investment in such Subsidiary. Notwithstanding any other provision of this Agreement, **[Redacted – Name of Subsidiary]** may not be designated as an Unrestricted Subsidiary.

Section 8.16. *Annual Lender Conference Calls*. At the request of the Administrative Agent or the Required Lenders, the Borrower shall, following the end of each fiscal year, hold a conference call at a mutually agreeable time with all Lenders who choose to participate in such conference call, during which call shall be reviewed the financial results of the previous fiscal year and the financial condition of the Borrower and its Subsidiaries and the budgets presented for the current fiscal year.

ARTICLE 9
NEGATIVE COVENANTS

The Borrower and each of its Restricted Subsidiaries hereby covenant and agree that on and after the Closing Date and until the Term Loans and Notes (in each case, together with interest thereon), Fees and all other Obligations (other than any indemnification obligations arising hereunder which are not then due and payable) incurred hereunder and thereunder, are paid in full:

Section 9.01. *Liens*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets (real or personal, tangible or intangible) of the Borrower or any of its Restricted Subsidiaries, whether now owned or hereafter acquired, or sell accounts receivable with recourse to the Borrower or any of its Restricted Subsidiaries) or authorize the filing of any financing statement under the UCC or PPSA with respect to any Lien or any other similar notice of any Lien under any similar recording or notice statute; *provided* that the provisions of this Section 9.01 shall not prevent the creation, incurrence, assumption or existence of, or any filing in respect of, the following (Liens described below are herein referred to as "**Permitted Liens**"):

(iii) Liens for Taxes, assessments or governmental charges or levies not overdue or Liens for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with IFRS (or, for Foreign Subsidiaries, in conformity with generally accepted accounting principles that are applicable in their respective jurisdiction of organization);

(iv) Liens in respect of property or assets of the Borrower or any of its Restricted Subsidiaries imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, contractors', materialmen's and mechanics' liens and other similar Liens arising in the ordinary course of business, and which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or assets, and for which adequate reserves have been established in accordance with IFRS;

(v) Liens in existence on the Closing Date which are listed, and the property subject thereto described, in Schedule 9.01(iii) (or to the extent not listed on such Schedule 9.01(iii), where the fair market value of all property to which such Liens under this clause (iii) attach is less than $5,000,000 in the aggregate), plus modifications, renewals, replacements, refinancings and extensions of such Liens, *provided* that (x) the aggregate principal amount of the Indebtedness, if any, secured by such Liens does not increase from that amount outstanding at the time of any such renewal, replacement or extension, plus accrued and unpaid interest and cash fees and expenses (including premium) incurred in connection with such renewal, replacement or extension and (y) any such renewal, replacement or extension does not encumber any additional assets or properties of the Borrower or any of its Restricted Subsidiaries (other than after-acquired property that is affixed or incorporated into the property encumbered by such Lien on the Closing Date and the proceeds and products thereof) unless such Lien is permitted under the other provisions of this Section 9.01;

(vi) (x) Liens created pursuant to the Credit Documents, (y) Liens securing Obligations (as defined in the ABL Credit Agreement) and the credit documents related thereto and incurred pursuant to Section 9.04(i)(y); *provided* that

in the case of Liens securing such Indebtedness under the ABL Credit Agreement, the collateral agent under the ABL Credit Agreement (or other applicable representative thereof on behalf of the holders of such Indebtedness) shall have entered into with the Administrative Agent and/or the Collateral Agent the ABL/Term Intercreditor Agreement, and (z) Liens securing any Refinancing Notes subject to the Additional Intercreditor Agreement, as applicable;

(vii) Leases, subleases, licenses or sublicenses (including licenses or sublicenses of Intellectual Property) granted to other Persons not materially interfering with the conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(viii) Liens upon assets of the Borrower or any of its Restricted Subsidiaries subject to Capitalized Lease Obligations to the extent such Capitalized Lease Obligations are permitted by Section 9.04(iii), *provided* that (x) such Liens serve only to secure the payment of Indebtedness and/or other monetary obligations arising under such Capitalized Lease Obligation and (y) the Lien encumbering the asset or assets giving rise to such Capitalized Lease Obligation does not encumber any asset of the Borrower or any of its Restricted Subsidiaries other than the proceeds of the assets giving rise to such Capitalized Lease Obligations;

(ix) Liens placed upon equipment, machinery or other fixed assets acquired or constructed after the Closing Date and used in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries and placed at the time of the acquisition or construction thereof by the Borrower or such Restricted Subsidiary or within 270 days thereafter to secure Indebtedness incurred to pay all or a portion of the purchase or construction price thereof or to secure Indebtedness incurred solely for the purpose of financing the acquisition or construction of any such equipment, machinery or other fixed assets or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, *provided* that (x) the Indebtedness secured by such Liens is permitted by Section 9.04(iii) and (y) in all events, the Lien encumbering the equipment, machinery or other fixed assets so acquired or constructed does not encumber any other asset of the Borrower or such Restricted Subsidiary; *provided* that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender on customary terms;

(x) easements, rights-of-way, restrictions (including zoning restrictions), encroachments, protrusions and other similar charges or encumbrances and minor title deficiencies, which individually or in the aggregate do not materially interfere with the conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(xi) Liens arising from precautionary UCC, PPSA or other similar financing statement filings regarding operating leases or consignments entered into in the ordinary course of business;

(xii) attachment and judgment Liens, to the extent and for so long as the underlying judgments and decrees do not constitute an Event of Default pursuant to Section 10.01(i);

(xiii) statutory and common law landlords' liens under leases to which the Borrower or any of its Restricted Subsidiaries is a party;

(xiv) Liens (other than Liens imposed under ERISA or in respect of any Canadian Pension Plan) incurred in the ordinary course of business in connection with workers' compensation claims, unemployment insurance and social security benefits and Liens securing the performance of bids, tenders, leases and contracts in the ordinary course of business, statutory obligations, surety, stay, customs or appeal bonds, performance bonds and other obligations of a like nature (including (i) those to secure health, safety and environmental obligations and (ii) those required or requested by any Governmental Authority other than letters of credit) incurred in the ordinary course of business;

(xv) With respect to any Mortgaged Property, Permitted Encumbrances;

(xvi) Liens on property or assets acquired pursuant to a Permitted Acquisition, or on property or assets of a Restricted Subsidiary of the Borrower in existence at the time such Restricted Subsidiary is acquired pursuant to a Permitted Acquisition, *provided* that (x) any Indebtedness that is secured by such Liens is permitted to exist under Section 9.04, and (y) such Liens are not incurred in connection with, or in contemplation or anticipation of, such Permitted Acquisition and do not attach to any other asset of the Borrower or any of its Restricted Subsidiaries; and any extensions, renewals and replacements thereof so long as the aggregate principal amount of the Indebtedness secured by such Liens does not increase from that amount outstanding at the time of any such extension, renewal or replacement, plus accrued and unpaid interest and cash fees and expenses (including premium) incurred in connection with such renewal, replacement or extension, and such extension, renewal or replacement does not encumber any asset or properties of the Borrower or any of its Restricted Subsidiaries other than the proceeds of the assets subject to such Lien;

(xvii) deposits or pledges to secure bids, tenders, contracts (other than contracts for the repayment of borrowed money), leases, statutory obligations, surety, stay, customs and appeal bonds and other obligations of like nature (including (i) those to secure health, safety and environmental obligations and (ii) those required or requested by any Governmental Authority other than letters of credit), and as security for the payment of rent, in each case arising in the ordinary course of business;

(xviii) Liens on assets of Foreign Subsidiaries securing Indebtedness of Foreign Subsidiaries permitted pursuant to Section 9.04;

(xix) any interest or title of a lessor, sublessor, licensee, sublicensee, licensor or sublicensor under any lease, sublease, license or sublicense agreement (including software and other technology licenses) in the ordinary course of business;

(xx) Liens on property subject to Sale-Leaseback Transactions to the extent such Sale-Leaseback Transactions are permitted by Section 9.02(xi);

(xxi) any encumbrances or restrictions (including, without limitation, put and call agreements) with respect to the Equity Interests of any Joint Venture expressly permitted by the terms of this Agreement arising pursuant to the agreement evidencing such Joint Venture;

(xxii) Liens on Collateral in favor of any Credit Party securing intercompany Indebtedness permitted by Section 9.05, provided that any Liens securing Indebtedness that is required to be subordinated pursuant to Section 9.05 shall be subordinated to the Liens created pursuant to the Security Documents;

(xxiii) Liens on specific items of inventory or other goods (and proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, and pledges or deposits in the ordinary course of business;

(xxiv) Liens on insurance policies and the proceeds thereof (whether accrued or not) and rights or claims against an insurer, in each case securing insurance premium financings permitted under Section 9.04(viii);

(xxv) Liens that may arise on inventory or equipment of the Borrower or any of its Restricted Subsidiaries in the ordinary course of business as a result of such inventory or equipment being located on premises owned by Persons other than the Borrower and its Restricted Subsidiaries;

(xxvi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(xxvii) Liens (i) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(xxviii) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions not

given in connection with the incurrence or issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower or any Restricted Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(xxix) Liens attaching solely to cash earnest money deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition or other Investment permitted hereunder;

(xxx) Liens not otherwise permitted by the foregoing clauses (i) through (xxvii), or by following clauses (xxix) through (xxxix), to the extent attaching to properties and assets with an aggregate fair market value not in excess of, and securing liabilities not in excess of, the greater of $20,000,000 and 2.50% of Consolidated Total Assets in the aggregate at any time outstanding;

(xxxi) Liens on Collateral (as defined in the Security Documents) securing obligations of Credit Parties under Permitted Junior Loans and Permitted Junior Notes that are secured as provided in the definitions thereof, or Liens on assets of non-Credit Parties securing obligations of non-Credit Parties under Permitted Junior Loans and Permitted Junior Notes to the extent permitted by Section 9.04(xxiii);

(xxxii) [Reserved];

(xxxiii) cash deposits with respect to any Refinancing Notes or any Permitted Junior Debt or any other Indebtedness, in each case to the extent permitted by Section 9.07;

(xxxiv) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(xxxv) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(xxxvi) (i) zoning, building, entitlement and other land use regulations by Governmental Authorities with which the normal operation of the business of the Borrower and the Restricted Subsidiaries complies, and (ii) any zoning or similar law or right reserved to or vested in, or any development agreement, site plan agreement, subdivision agreement or other similar agreement with any Governmental Authority to control or regulate the use of any real property lease, license, franchise, grant or permit that does not materially interfere with the ordinary

conduct of the business of the Borrower or any Restricted Subsidiary;

(xxxvii) deposits made in the ordinary course of business to secure liability to insurance carriers;

(xxxviii) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof;

(xxxix) so long as no Default has occurred and is continuing at the time of granting such Liens, Liens on cash deposits in an aggregate amount not to exceed $10,000,000 securing any Swap Contracts permitted hereunder;

(xl) [Reserved];

(xli) Liens on cash or Cash Equivalents (and the related escrow accounts) in connection with the issuance into (and pending the release from) escrow of any Refinancing Notes, or any Permitted Junior Debt; and

(xlii) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit of the Borrower or any Restricted Subsidiary to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof.

In connection with the granting of Liens of the type described in this Section 9.01 by the Borrower or any of its Restricted Subsidiaries, the Administrative Agent and the Collateral Agent shall, and shall be authorized to, take any actions deemed appropriate by it in connection therewith (including, without limitation, by executing appropriate lien releases or lien subordination agreements in favor of the holder or holders of such Liens, in either case solely with respect to the item or items of equipment or other assets subject to such Liens).

Section 9.02. *Consolidation, Merger, or Sale of Assets, etc* . The Borrower will not, and will not permit any of its Restricted Subsidiaries to, wind up, liquidate or dissolve its affairs or enter into any partnership, joint venture, or transaction of merger, amalgamation or consolidation, or convey, sell, lease or otherwise dispose of all or any part of its property or assets, or enter into any sale-leaseback transactions of any Person, except that:

(ix) any Investment permitted by Section 9.05 may be structured as a merger, consolidation or amalgamation so long as, in the case of any merger, consolidation or amalgamation involving the Borrower, the Borrower is the surviving entity;

(x) the Borrower and its Restricted Subsidiaries may sell assets, so long as (x) each such sale is on terms and conditions not less favorable to the Borrower

or such Restricted Subsidiary as would reasonably be obtained by the Borrower or such Restricted Subsidiary at that time in a comparable arm's-length transaction with a Person other than an Affiliate and the Borrower or the respective Restricted Subsidiary receives at least fair market value (as determined in good faith by the Borrower or such Restricted Subsidiary, as the case may be), (y) in the case of any single transaction that involves assets or Equity Interests having a fair market value of more than $2,500,000, at least 75% of the consideration received by the Borrower or such Restricted Subsidiary shall be in the form of cash, Cash Equivalents or, subject to the proviso below, Designated Non-Cash Consideration (taking into account the amount of cash and Cash Equivalents, the principal amount of any promissory notes and the fair market value, as determined by the Borrower or such Restricted Subsidiary, as the case may be, in good faith, of any other consideration (including Designated Non-Cash Consideration)) and is paid at the time of the closing of such sale; *provided*, *however*, that for purposes of this clause (y), the following shall be deemed to be cash: (i) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee with respect to the applicable disposition and for which the Borrower and the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing, (ii) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in the conversion) within 180 days following the closing of the applicable asset sale, and (iii) any Designated Non-Cash Consideration received by the Borrower or any of its Restricted Subsidiaries in such asset sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed the greater of (A) $20,000,000 and (B) 2.50% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) the Net Sale Proceeds therefrom are applied as (and to the extent) required by Section 4.02(e).

(xi) each of the Borrower and its Restricted Subsidiaries may lease (as lessee) or license (as licensee) real or personal property (so long as any such lease or license does not create a Capitalized Lease Obligation except to the extent permitted by Section 9.04(iii));

(xii) each of the Borrower and its Restricted Subsidiaries may sell or discount, in each case in the ordinary course of business, accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof and not as part of any financing transaction;

(xiii) each of the Borrower and its Restricted Subsidiaries may grant

licenses, sublicenses, leases or subleases to other Persons not materially interfering with the conduct of the business of the Borrower or any of its Restricted Subsidiaries, including of Intellectual Property;

(xiv) (w) any U.S. Subsidiary of the Borrower may be merged, consolidated, dissolved, or liquidated with or into any U.S. Subsidiary that is a Subsidiary Guarantor (so long as the surviving Person of such merger, consolidation, dissolution or liquidation is a Wholly-Owned U.S. Subsidiary of the Borrower, is a corporation, limited liability company or limited partnership and is or becomes a Subsidiary Guarantor concurrently with such merger, consolidation, dissolution, amalgamation, or liquidation), (x) any Canadian Subsidiary of the Borrower may be consolidated, dissolved, amalgamated or liquidated with or into the Borrower (so long as the surviving or resulting Person of such consolidation, dissolution, amalgamation or liquidation is a corporation organized or existing under the laws of Canada or any province or territory thereof and, such Person expressly assumes or confirms, as applicable, in writing, all the obligations of the Borrower under the Credit Documents pursuant to an assumption agreement or confirmation, as applicable, in each case in form and substance reasonably satisfactory to the Administrative Agent) or with or into any Canadian Subsidiary that is a Subsidiary Guarantor (so long as the surviving or resulting Person of such consolidation, dissolution, amalgamation or liquidation is a Wholly-Owned Domestic Subsidiary of the Borrower, is a corporation or limited partnership and is or becomes a Subsidiary Guarantor concurrently with such consolidation, dissolution, amalgamation, or liquidation, and such Person expressly assumes or confirms, as applicable, in writing, all the obligations of such Subsidiaries under the Credit Documents pursuant to an assumption agreement or confirmation, as applicable, in each case in form and substance reasonably satisfactory to the Administrative Agent) (y) any Foreign Subsidiary of the Borrower may be merged, consolidated, dissolved, amalgamated or liquidated with or into any Wholly-Owned Foreign Subsidiary of the Borrower or any Wholly-Owned Domestic Subsidiary of the Borrower that is an Excluded Subsidiary, so long as such Wholly-Owned Foreign Subsidiary or such Excluded Subsidiary, as applicable, is the surviving corporation of such merger, consolidation, dissolution, amalgamation or liquidation and (z) any Foreign Subsidiary of the Borrower may be merged, consolidated, dissolved, amalgamated or liquidated with or into any Credit Party (so long as such Credit Party is the surviving corporation of such merger, consolidation, dissolution, amalgamation or liquidation); *provided* that any such merger, consolidation, dissolution, amalgamation or liquidation shall only be permitted pursuant to this clause (vi), so long as (I) no Default and no Event of Default then exists or would exist immediately after giving effect thereto and (II) any security interests or hypothecs granted to the Collateral Agent for the benefit of the Secured Creditors in the assets (and Equity Interests) of any such Person subject to any such transaction shall remain in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such merger, consolidation, dissolution, amalgamation or liquidation);

(xv) each of the Borrower and its Restricted Subsidiaries may make sales or leases of (iv) inventory and (v) goods held for sale, in each case, in the ordinary course of business and (vi) immaterial assets with a fair market value, in the case of this clause (C), of less than $7,500,000 in the aggregate;

(xvi) each of the Borrower and its Restricted Subsidiaries may sell or otherwise dispose of (i) outdated, obsolete, surplus or worn out property and (ii) property no longer used or useful in the conduct of the business of the Borrower and its Restricted Subsidiaries, in each case, in the ordinary course of business;

(xvii) each of the Borrower and its Restricted Subsidiaries may sell or otherwise dispose of assets acquired pursuant to a Permitted Acquisition which assets (w) are not used or useful to the core or principal business of the Borrower and its Restricted Subsidiaries, (x) have a fair market value not in excess of $10,000,000, (y) the aggregate proceeds (determined in a manner consistent with clause (viii) above) received by the Borrower or such Restricted Subsidiary) from all such sales, transfers or dispositions relating to a given Permitted Acquisition shall not exceed 30% of the aggregate consideration paid for such Permitted Acquisition, and (z) such assets are sold, transferred or disposed of on or prior to the first anniversary of the relevant Permitted Acquisition;

(xviii) in order to effect a sale, transfer or disposition otherwise permitted by this Section 9.02, a Restricted Subsidiary of the Borrower may be merged, amalgamated or consolidated with or into another Person, or may be dissolved or liquidated;

(xix) each of the Borrower and its Restricted Subsidiaries may effect Sale-Leaseback Transactions involving real property acquired after the Closing Date and not more than 180 days prior to such Sale-Leaseback Transaction for cash in an amount at least equal to the cost of such property; *provided* that any the excess of Net Sale Proceeds received by the Borrower or any of its Restricted Subsidiaries from any such Sale-Leaseback Transaction from and after such time as when the Borrower and its Restricted Subsidiaries shall have received Net Sale Proceeds of at least $25,000,000 from all Sale-Leaseback Transactions occurring after the Closing Date shall be applied as (and to the extent) required by Section 4.02(e);

(xx) the Borrower and its Subsidiaries may consummate the Transaction and make any dispositions on the Closing Date contemplated by the Acquisition Agreement to consummate the Transaction;

(xxi) each of the Borrower and its Restricted Subsidiaries may issue or sell Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(xxii) each of the Borrower and its Restricted Subsidiaries may

make transfers of property subject to casualty or condemnation proceedings upon the occurrence of the related Recovery Event;

(xxiii) each of the Borrower and its Restricted Subsidiaries may abandon Intellectual Property rights in the ordinary course of business, which in the reasonable good faith determination of the Borrower or a Restricted Subsidiary are not material to the conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole;

(xxiv) each of the Borrower and its Restricted Subsidiaries may make voluntary terminations of or unwind Swap Contracts;

(xxv) each of the Borrower and its Restricted Subsidiaries may make dispositions resulting from foreclosures by third parties on properties of the Borrower or any of its Restricted Subsidiaries and acquisitions by the Borrower or any of its Restricted Subsidiaries resulting from foreclosures by such Persons or properties of third parties;

(xxvi) each of the Borrower and its Restricted Subsidiaries may terminate leases and subleases;

(xxvii) each of the Borrower and its Restricted Subsidiaries may use cash and Cash Equivalents to make payments that are otherwise permitted under Sections 9.03 and 9.07;

(xxviii) each of the Borrower or its Restricted Subsidiaries may sell or otherwise dispose of property, for reasonably equivalent value, to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such sale or disposition are promptly applied to the purchase price of such replacement property;

(xxix) sales, dispositions or contributions of property (vii) between Credit Parties, (viii) between Restricted Subsidiaries (other than Credit Parties), (ix) by Restricted Subsidiaries that are not Credit Parties to the Credit Parties or (x) by Credit Parties to any Restricted Subsidiary that is not a Credit Party; *provided* that (i) the portion (if any) of any such sale, disposition or contribution of property made for less than fair market value and (ii) any noncash consideration received in exchange for any such sale, disposition or contribution of property, shall in each case constitute an Investment in such Restricted Subsidiary;

(xxx) dispositions of Investments (including Equity Interests) in Joint Ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(xxxi) transfers of condemned property as a result of the exercise of

"eminent domain" or other similar powers to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of property that have been subject to a casualty to the respective insurer of such real property as part of an insurance settlement; *provided* that the proceeds of such dispositions are applied in accordance with Section 4.02(g);

(xxxii) any disposition of any asset between or among the Restricted Subsidiaries as a substantially concurrent interim disposition in connection with a disposition otherwise permitted pursuant to this Section 9.02; and

(xxxiii) dispositions permitted by Section 9.03 or Section 9.05(xxvii).

To the extent the Required Lenders waive the provisions of this Section 9.02 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 9.02 (other than to the Borrower or a Restricted Subsidiary thereof), such Collateral shall be sold free and clear of the Liens created by the Security Documents, and the Administrative Agent and the Collateral Agent shall, and shall be authorized to, take any actions deemed appropriate in order to effect the foregoing.

Section 9.03. *Dividends*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, authorize, declare or pay any Dividends with respect to the Borrower or any of its Restricted Subsidiaries, except that:

(i) any Restricted Subsidiary of the Borrower may pay Dividends or return capital or make distributions and other similar payments with regard to its Equity Interests to the Borrower or to other Restricted Subsidiaries of the Borrower which directly or indirectly own equity therein;

(ii) any non-Wholly-Owned Subsidiary of the Borrower may declare and pay cash Dividends to its shareholders generally so long as the Borrower or its Restricted Subsidiary that owns the Equity Interests in the Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holding of the Equity Interests in the Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of Equity Interests of such Subsidiary);

(iii) so long as no Default or Event of Default exists at the time of the applicable Dividend, redemption or repurchase or would exist immediately after giving effect thereto, the Borrower may pay cash Dividends to redeem or repurchase, contemporaneously with such Dividend, Equity Interests of the Borrower from management, employees, officers and directors (and their successors and assigns) of the Borrower and its Restricted Subsidiaries; *provided* that (xi) the aggregate amount of Dividends made by the Borrower pursuant to this clause (iii), and the aggregate amount paid by the Borrower in respect of all such Equity Interests so redeemed or repurchased shall not (net of any cash proceeds received by the Borrower

from issuances of its Equity Interests (other than to the extent included in the Available Amount or in clause (II) below) and contributed to the Borrower in connection with such redemption or repurchase), in either case, exceed either (x) during any fiscal year of the Borrower, $7,500,000 (*provided* that subject to the immediately succeeding clause (y), the amount of cash Dividends permitted to be, but not, paid in any fiscal year pursuant to this clause (iii) shall increase the amount of cash Dividends permitted to be paid in any succeeding fiscal year pursuant to this clause (iii)) or (y) for all periods after the Closing Date (taken as a single period), $20,000,000; (xii) such amount in any calendar year may be increased by an amount not to exceed: (I) the cash proceeds of key man life insurance policies received by the Borrower or any of its Restricted Subsidiaries after the Closing Date; *plus* (II) the net proceeds from the sale of Equity Interest of the Borrower, in each case to members of management, managers, directors or consultants of the Borrower or any of its Subsidiaries that occurs after the Closing Date, where the net proceeds of such sale are received by or contributed to the Borrower; *provided* that the amount of any such net proceeds that are utilized for any Dividend under this clause (iii) will not be considered to be net proceeds of Equity Interests for purposes of clause (b)(x)(ii) of the definition of "Available Amount"; *less* (III) the amount of any Dividends previously made with the cash proceeds described in the preceding clause (I); and (xiii) cancellation of Indebtedness owing to the Borrower from members of management, officers, directors, employees of the Borrower or any of its Subsidiaries in connection with a repurchase of Equity Interests of any Parent Company will not be deemed to constitute a Dividend for purposes of this Agreement;

(iv) any Dividend used to fund the Transaction, including Transaction Costs;

(v) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants or similar equity incentive awards;

(vi) Dividends, so long as no Default or Event of Default shall have occurred and be continuing and the Consolidated Total Net Leverage Ratio does not exceed 3.00:1.00, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) after giving effect to such Dividend;

(vii) so long as no Default or Event of Default shall have occurred and be continuing at the time of the proposed Dividend or immediately after giving effect thereto, and subject to compliance with Consolidated Total Net Leverage Ratio not in excess of 4.25:1.00, any Dividends to the extent same are made solely with the Available Amount;

(viii) purchases of minority interests in non-Wholly-Owned Subsidiaries by the Borrower and the Guarantors; *provided* that the aggregate amount

of such purchases, when added to the aggregate amount of Investments pursuant to Section 9.05(xviii), shall not exceed $10,000,000;

(ix) the declaration and payment of dividends or the payment of other distributions by the Borrower in an aggregate amount since the Closing Date not to exceed the greater of (x) $15,000,000 and (y) 2.00% of Consolidated Total Assets, less any amounts used under Section 9.07(a)(ii);

(x) the Borrower and each Restricted Subsidiary may declare and make dividend payments or other distributions payable solely in the common Equity Interests of such Person so long as in the case of dividend or other distribution by a Restricted Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution; and

(xi) following the occurrence of the Leverage Step-Down Trigger (which shall only be required to occur once), the Borrower may pay dividends and distributions with the net cash proceeds of any equity issuance not required to be applied to repay Term Loans in accordance with Section 4.02, so long as, with respect to any such payments, no Event of Default shall have occurred and be continuing or would result therefrom; *provided* that the amount of any such cash proceeds that are utilized for any Dividend under this clause (xii) will not be considered to be cash proceeds of Equity Interests for purposes of clause (b)(x)(ii) of the definition of "Available Amount";

(xii) the Borrower and any Restricted Subsidiary may pay dividends and distributions within 60 days after the date of declaration thereof, if at the date of declaration of such payment, such payment would have complied with another provision of this Section 9.03.

Section 9.04. *Indebtedness*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness, except:

(i) (x) Indebtedness incurred pursuant to this Agreement and the other Credit Documents and (y) Indebtedness incurred pursuant to the ABL Credit Agreement in an aggregate principal amount not to exceed $275,000,000 at any one time outstanding;

(ii) Indebtedness under Swap Contracts entered into with respect to other Indebtedness permitted under this Section 9.04 so long as the entering into of such Swap Contracts are bona fide hedging activities and are not for speculative purposes;

(iii) Indebtedness of the Borrower and its Restricted Subsidiaries consisting of Capitalized Lease Obligations and purchase money Indebtedness (including obligations in respect of mortgages, industrial revenue bonds, industrial development bonds and similar financings) described in Section 9.01(vii); *provided*

that in no event shall the aggregate principal amount of Capitalized Lease Obligations and the principal amount of all such Indebtedness incurred or assumed in each case after the Closing Date permitted by this clause (iii) exceed the greater of $20,000,000 and 2.50% of Consolidated Total Assets at any one time outstanding;

(iv) Indebtedness of a Restricted Subsidiary of the Borrower acquired pursuant to a Permitted Acquisition (or Indebtedness assumed at the time of a Permitted Acquisition of an asset securing such Indebtedness), *provided* that (x) such Indebtedness was not incurred in connection with, or in anticipation or contemplation of, such Permitted Acquisition and (y) in no event shall the aggregate principal amount of Indebtedness incurred or assumed in each case after the Closing Date permitted by this clause (iv) exceed the greater of $25,000,000 and 3.25% of Consolidated Total Assets;

(v) intercompany Indebtedness among the Borrower and its Restricted Subsidiaries to the extent permitted by Section 9.05(vi);

(vi) Indebtedness outstanding on the Closing Date and listed on Schedule 9.04(vi) (" **Existing Indebtedness**") and any Permitted Refinancing thereof;

(vii) Indebtedness of Foreign Subsidiaries; *provided* that the aggregate principal amount of Indebtedness outstanding pursuant to this clause (vii) shall not at any time exceed the greater of $35,000,000 and 4.50% of Consolidated Total Assets (with, for purposes of this clause (vii), Consolidated Total Assets being calculated excluding all assets other than those owned by Foreign Subsidiaries);

(viii) Indebtedness incurred in the ordinary course of business to finance insurance premiums or take-or-pay obligations contained in supply arrangements;

(ix) Indebtedness incurred in the ordinary course of business in respect of netting services, overdraft protections, employee credit card programs, automatic clearinghouse arrangements and other similar services in connection with cash management and deposit accounts and Indebtedness in connection with the honoring of a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, including, in each case, Bank Product Debt;

(x) unsecured Indebtedness of the Borrower and any or all Subsidiary Guarantors, in an aggregate outstanding principal amount not to exceed the greater of $35,000,000 and 4.50% of Consolidated Total Assets at any time, assumed or incurred in connection with any Permitted Acquisition permitted under Section 8.13, so long as such Indebtedness (and any guarantees thereof) are subordinated to the Obligations upon terms and conditions acceptable to the Administrative Agent or the Required Lenders;

(xi) Permitted Refinancings of any Indebtedness incurred pursuant to clause (iv) above;

(xii) additional Indebtedness of the Borrower and its Restricted Subsidiaries not to exceed the greater of $35,000,000 and 4.50% of Consolidated Total Assets in aggregate principal amount outstanding at any time;

(xiii) Contingent Obligations for customs, stay, performance, appeal, judgment, replevin and similar bonds and suretyship arrangements, and completion guarantees and other obligations of a like nature, all in the ordinary course of business;

(xiv) Contingent Obligations to insurers required in connection with worker's compensation and other insurance coverage incurred in the ordinary course of business;

(xv) guarantees made by the Borrower or any of its Restricted Subsidiaries of Indebtedness of the Borrower or any of its Restricted Subsidiaries permitted to be outstanding under this Section 9.04; *provided* that such guarantees are permitted by Section 9.05;

(xvi) guarantees made by any Foreign Subsidiary of Indebtedness of any other Foreign Subsidiary permitted to be outstanding under this Section 9.04;

(xvii) guarantees made by Restricted Subsidiaries acquired pursuant to a Permitted Acquisition of Indebtedness acquired or assumed pursuant thereto in accordance with Section 9.04, or any refinancing thereof pursuant to Section 9.04; *provided* that such guarantees may only be made by Restricted Subsidiaries who were guarantors of the Indebtedness originally acquired or assumed pursuant to Section 9.04 at the time of the consummation of the Permitted Acquisition to which such Indebtedness relates;

(xviii) customary Contingent Obligations in connection with sales, other dispositions and leases permitted under Section 9.02 (but not in respect of Indebtedness for borrowed money or Capitalized Lease Obligations) including indemnification obligations with respect to leases, and guarantees of collectability in respect of accounts receivable or notes receivable for up to face value;

(xix) guarantees of Indebtedness of directors, officers and employees of the Borrower or any of its Restricted Subsidiaries in respect of expenses of such Persons in connection with relocations and other ordinary course of business purposes;

(xx) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is

extinguished within two Business Days of its incurrence;

(xxi) (x) severance, pension and health and welfare retirement benefits or the equivalent thereof to current and former employees of the Borrower or its Restricted Subsidiaries incurred in the ordinary course of business, (y) Indebtedness representing deferred compensation or stock-based compensation to employees of the Borrower and the Restricted Subsidiaries, and (z) Indebtedness consisting of promissory notes issued by any Credit Party to current or former officers, directors and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Borrower permitted by Section 9.03;

(xxii) (x) guarantees made by the Borrower or any of its Restricted Subsidiaries of obligations (not constituting debt for borrowed money) of the Borrower or any of its Restricted Subsidiaries owing to vendors, suppliers and other third parties incurred in the ordinary course of business and (y) Indebtedness of any Credit Party as an account party in respect of trade letters of credit issued in the ordinary course of business;

(xxiii) Following the occurrence of the Leverage Step-Down Trigger (which shall only be required to occur once), unsecured Permitted Junior Debt of the Borrower and its Restricted Subsidiaries incurred under Permitted Junior Debt Documents so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) 100% of the Net Debt Proceeds therefrom shall be used for working capital or other general corporate purposes (including without limitation, to finance one or more Permitted Acquisitions and to pay fees in connection therewith), (iii) the aggregate principal amount of unsecured Permitted Junior Debt issued or incurred after the Closing Date shall not cause the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), to exceed 5.50 to 1.00 (or, in the case of unsecured Indebtedness incurred in connection with a Permitted Acquisition, the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) would be lower after giving effect to such Permitted Acquisition and the incurrence of such unsecured Indebtedness than prior thereto) and (iv) the Borrower shall have furnished to the Administrative Agent a certificate from a Responsible Officer certifying as to compliance with the requirements of preceding clauses (i), (ii) and (iii), containing the calculations required by preceding clause (iv), and Permitted Refinancing thereof; *provided* that the amount of Permitted Junior Debt which may be incurred, in the aggregate pursuant to this paragraph (xxiii), by non-Credit Parties, shall not exceed the greater of $25,000,000 and 3.25% of Consolidated Total Assets);

(xxiv) Indebtedness consisting of lease obligations arising out of the Sale-Leaseback Transactions permitted by Section 9.02(xi);

(xxv) Following the occurrence of the Leverage Step-Down Trigger (which shall only be required to occur once), Secured Permitted Junior Debt of the Credit Parties incurred under Permitted Junior Debt Documents so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) 100% of the Net Debt Proceeds therefrom shall be used for working capital or other general corporate purposes (including without limitation, to finance one or more Permitted Acquisitions and to pay fees in connection therewith), (iii) the aggregate principal amount of such secured Permitted Junior Debt issued or incurred after the Closing Date shall not cause the Consolidated Senior Secured Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive quarters of the Borrower then most recently ended for which financial statements have been delivered), to exceed 5.25 to 1.00 and (iv) the Borrower shall have furnished to the Administrative Agent a certificate from a Responsible Officer certifying as to compliance with the requirements of preceding clauses (i), (ii) and (iii) and containing the calculations required by preceding clauses (iii), and Permitted Refinancing thereof;

(xxvi) Indebtedness under Refinancing Notes and Refinancing Term Loans, 100% of the Net Debt Proceeds of which are applied to repay outstanding Term Loans in accordance with Section 4.02(c);

(xxvii) Guarantees of Indebtedness of a Person in connection with a Joint Venture, provided that the aggregate principal amount of any Indebtedness so guaranteed, when added to the aggregate amount of unreimbursed payments thereto for made in respect of such guarantees and the amount of Investments then outstanding (and deemed outstanding) under clause (xx) of Section 9.05, shall not exceed the greater of $20,000,000 and 2.50% of Consolidated Total Assets; and

(xxviii) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxvii) above.

Section 9.05. *Advances, Investments and Term Loans*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, lend money or credit or make advances to or guaranty the Indebtedness of any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or hold any cash or Cash Equivalents or designate a Subsidiary as an Unrestricted Subsidiary (each of the foregoing, an "**Investment**" and, collectively, "**Investments**" and with the value of each Investment being measured at the time made and without giving effect to subsequent changes in value or any write-ups, write-downs or write-

offs thereof but giving effect to any cash return or cash distributions received by the Borrower and its Restricted Subsidiaries with respect thereto), except that the following shall be permitted:

(i) the Borrower and its Restricted Subsidiaries may acquire and hold accounts receivable owing to any of them, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms of the Borrower or such Restricted Subsidiary;

(ii) the Borrower and its Restricted Subsidiaries may acquire and hold cash and Cash Equivalents;

(iii) the Borrower and its Restricted Subsidiaries may hold the Investments held by them on the Closing Date and described on Schedule 9.05 (iii), and any modification, replacement, renewal or extension thereof that does not increase the principal amount thereof unless any additional Investments made with respect thereto are permitted under the other provisions of this Section 9.05;

(iv) the Borrower and its Restricted Subsidiaries may acquire and hold Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers, and Investments received in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(v) the Borrower and its Restricted Subsidiaries may enter into Swap Contracts to the extent permitted by Section 9.04(ii);

(vi) (a) the Borrower and any Restricted Subsidiary may make intercompany loans to and other investments in Credit Parties, (b) any Foreign Subsidiary may make intercompany loans to and other investments in the Borrower or any of its Restricted Subsidiaries so long as in the case of such intercompany loans to Credit Parties, all payment obligations of the respective Credit Parties are subordinated to their obligations under the Credit Documents on terms reasonably satisfactory to the Administrative Agent, (c) the Credit Parties may make intercompany loans to, guarantees on behalf of, and other investments in, Subsidiaries that are not Credit Parties so long as the aggregate amount of outstanding loans, guarantees and other Indebtedness made pursuant to this subclause (vi) does not exceed the greater of $40,000,000 and 5.00% of Consolidated Total Assets, (d) any Restricted Subsidiary that is not a Credit Party may make intercompany loans to, and other investments in, any other Restricted Subsidiary that is also not a Credit Party and (e) Credit Parties may make intercompany loans and other investments in any Restricted Subsidiary that is not a Credit Party so long as such Investment is part of a series of simultaneous Investments by Restricted Subsidiaries in other Restricted Subsidiaries that results in the proceeds of the initial Investment being invested in one or more Credit Parties and (f) Credit Parties may make intercompany loans to, guarantees on behalf of, and other investments in, Subsidiaries that are not

Credit Parties (x) to fund the operating expenses of such Subsidiaries in an amount not to exceed $250,000 during any fiscal year of the Borrower and (y) to enable such Subsidiaries to pay Taxes so long as such Subsidiaries are Immaterial Subsidiaries;

(vii) Permitted Acquisitions shall be permitted in accordance with Section 8.13;

(viii) loans and advances by the Borrower and its Restricted Subsidiaries to officers, directors and employees of the Borrower and its Restricted Subsidiaries in connection with (i) relocations and other ordinary course of business purposes (including travel and entertainment expenses) shall be permitted and (ii) any such Person's purchase of Equity Interests of the Borrower; *provided* that no cash is actually advanced pursuant to this clause (ii) unless immediately repaid;

(ix) [Reserved];

(x) advances of payroll payments to employees of the Borrower and its Restricted Subsidiaries in the ordinary course of business;

(xi) non-cash consideration may be received in connection with any Asset Sale to the extent permitted pursuant to Section 9.02(ii) or (ix);

(xii) additional Restricted Subsidiaries of the Borrower may be established or created if the Borrower and such Subsidiary comply with the requirements of Section 8.11, if applicable; provided that to the extent any such new Subsidiary is created solely for the purpose of consummating a transaction pursuant to an acquisition permitted by this Section 9.05, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such transaction, such new Subsidiary shall not be required to take the actions set forth in Section 8.11, as applicable, until the respective acquisition is consummated (at which time the surviving or transferee entity of the respective transaction and its Subsidiaries shall be required to so comply in accordance with the provisions thereof);

(xiii) extensions of trade credit may be made in the ordinary course of business (including advances made to distributors consistent with past practice), Investments received in satisfaction or partial satisfaction of previously extended trade credit from financially troubled account debtors, Investments consisting of prepayments to suppliers made in the ordinary course of business and loans or advances made to distributors in the ordinary course of business;

(xiv) earnest money deposits may be made to the extent required in connection with Permitted Acquisitions and other Investments to the extent permitted under Section 9.01(xxvii);

(xv) Investments in deposit accounts or securities accounts opened

in the ordinary course of business;

(xvi) Investments in the nature of pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business;

(xvii) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit;

(xviii) purchases of minority interests in non-Wholly-Owned Subsidiaries by the Borrower and the Guarantors; provided that the aggregate amount of such purchases, when added to the aggregate amount of Dividends pursuant to Section 9.03(viii), shall not exceed $10,000,000;

(xix) if no Event of Default shall have occurred and be continuing at the time of the consummation of the proposed Investment or immediately after giving effect thereto, Investments to the extent same are made solely with the Available Amount;

(xx) in addition to Investments permitted by clauses (i) through (xix) and (xxi) through (xxvi) of this Section 9.05, the Borrower and its Restricted Subsidiaries may make additional loans, advances and other Investments to or in a Person (including a Joint Venture) in an aggregate amount for all loans, advances and other Investments made pursuant to this clause (xx), not to exceed the greater of $30,000,000 and 3.75% of Consolidated Total Assets;

(xxi) the licensing, sublicensing or contribution of Intellectual Property pursuant to arrangements with Persons other than the Borrower and the Restricted Subsidiaries in the ordinary course of business for fair market value, as determined by the Borrower or such Restricted Subsidiary, as the case may be, in good faith;

(xxii) Investments to the extent that payment for such Investments is made solely by the issuance of Equity Interests constituting common stock or Qualified Preferred Stock of the Borrower to the seller of such Investments;

(xxiii) Investments of a Person that is acquired and becomes a Restricted Subsidiary or of a company merged or amalgamated or consolidated into any Restricted Subsidiary, in each case after the Closing Date and in accordance with this Section 9.05 and/or Section 9.02, as applicable, to the extent that such

Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation, do not constitute a material portion of the aggregate assets acquired in such transaction and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(xxiv) Investments in a Restricted Subsidiary that is not a Credit Party or in a Joint Venture, in each case, to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Restricted Subsidiary or Joint Venture;

(xxv) Investments made on or prior to the Closing Date to consummate the Transaction;

(xxvi) to the extent that they constitute Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case, in the ordinary course of business; and

(xxvii) **[Redacted – Intercompany Investments].**

Section 9.06. *Transactions with Affiliates*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any transaction or series of related transactions with any Affiliate of the Borrower or any of its Subsidiaries, other than on terms and conditions not less favorable to the Borrower or such Restricted Subsidiary as would reasonably be obtained by the Borrower or such Restricted Subsidiary at that time in a comparable arm's-length transaction with a Person other than an Affiliate, except:

(xxviii) Dividends may be paid to the extent provided in Section 9.03;

(xxix) loans and other transactions among the Borrower and its Restricted Subsidiaries may be made to the extent otherwise expressly permitted under Article 9;

(xxx) customary fees and indemnification (including the reimbursement of out-of-pocket expenses) may be paid to directors of the Borrower and its Restricted Subsidiaries;

(xxxi) the Borrower and its Restricted Subsidiaries may enter into, and may make payments under, employment agreements, employee benefits plans, stock option plans, indemnification provisions, stay bonuses, severance and other similar compensatory arrangements with officers, employees and directors of the Borrower and its Restricted Subsidiaries in the ordinary course of business;

(xxxii) the Transaction (including Transaction Costs) shall be permitted;

(xxxiii) to the extent not otherwise prohibited by this Agreement, transactions between or among the Borrower and any of its Restricted Subsidiaries shall be permitted (including equity issuances);

(xxxiv) transactions described on Schedule 9.06(vii) or any amendment thereto to the extent such an amendment is not adverse to the Lenders in any material respect;

(xxxv) Investments in the Borrower's Subsidiaries (to the extent any such Subsidiary that is not a Restricted Subsidiary is only an Affiliate as a result of Investments by the Borrower and the Restricted Subsidiaries in such Subsidiary) to the extent otherwise permitted under Section 9.05;

(xxxvi) any payments required to be made pursuant to the Acquisition Agreement;

(xxxvii) transactions between the Borrower and any Person that is an Affiliate solely due to the fact that a director of such Person is also a director of the Borrower; *provided*, *however*, that such director abstains from voting as a director of the Borrower, as the case may be, on any matter involving such other Person; and

(xxxviii) the issuance of Equity Interests in the form of common stock or Qualified Preferred Stock to any director, officer, employee or consultant thereof.

Section 9.07. *Limitations on Payments of Permitted Junior Debt; Modifications of Permitted Junior Debt, Certificate of Incorporation, By-Laws and Certain Other Agreements, etc*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to:

(a) make (or give any notice (other than any such notice that is expressly contingent upon the repayment in full in cash of all Obligations other than any indemnification obligations arising hereunder which are not due and payable) in respect of) any voluntary or optional payment or prepayment on or redemption or acquisition for value of, or any prepayment or redemption as a result of any asset sale, Change of Control or similar event of (including, in each case without limitation, by way of depositing with the trustee with respect thereto or any other Person money or securities before due for the purpose of paying when due), any Permitted Junior Debt, except that so long as no Default under Section 10.01(a) or Section 10.01(e) and no Event of Default then exists or would exist immediately after giving effect to the respective repayment, redemption or repurchase, Permitted Junior Debt may be repaid, redeemed, repurchased or defeased (so long as then retired or the required deposit under the applicable indenture is then made) or the applicable indenture is discharged (so long as the Permitted Junior Debt will be paid in full within the time period set forth in the applicable indenture) with, (i) (x) if the Consolidated Total Net Leverage Ratio does not exceed 4.25:1.00, determined on a Pro Forma Basis as of the last day of the most recently ended Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial

statements have been delivered) and (y) no Event of Default shall have occurred and be continuing at the time of the consummation of the proposed repayment or prepayment or immediately after giving effect thereto, the Available Amount, (ii) amounts not otherwise used under Section 9.03(ix) and (iii) an aggregate amount since the Closing Date not to exceed the greater of $20,000,000 and 2.50% of Consolidated Total Assets.

(b) amend or modify, or permit the amendment or modification of any provision of, any Refinancing Notes or Permitted Junior Debt Document (after the entering into thereof) with a principal amount in excess of the Threshold Amount, other than any amendment or modification to the extent the Borrower and its Restricted Subsidiaries would be permitted to enter into new Refinancing Notes or Permitted Junior Debt Documents on terms reflecting such amendment; or

(c) amend, modify or change its certificate or articles of incorporation (including, without limitation, by the filing or modification of any certificate or articles of designation), certificate of formation, limited liability company agreement or by-laws (or the equivalent organizational documents), as applicable, or any agreement entered into by it with respect to its Equity Interests, or enter into any new agreement with respect to its Equity Interests, unless such amendment, modification, change or other action contemplated by this clause (c) could not reasonably be expected to be adverse in any material respect to the interests of the Lenders.

Section 9.08. *Limitation on Certain Restrictions on Subsidiaries*. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to *(pp)* pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Borrower or any of its Restricted Subsidiaries, or pay any Indebtedness owed to the Borrower or any of its Restricted Subsidiaries, *(qq)* make loans or advances to the Borrower or any of its Restricted Subsidiaries or *(rr)* transfer any of its properties or assets to the Borrower or any of its Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of:

(i) applicable law;

(ii) this Agreement and the other Credit Documents, the ABL Credit Agreement and, if and when entered into, **[Redacted – Intercompany Documentation]**;

(iii) any Refinancing Note Documents;

(iv) customary provisions restricting subletting or assignment of any lease governing any leasehold interest of the Borrower or any of its Restricted Subsidiaries;

(v) customary provisions restricting assignment of any licensing agreement (in which the Borrower or any of its Restricted Subsidiaries is the licensee) or other contract entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(vi) restrictions on the transfer of any asset pending the close of the sale of such asset;

(vii) any agreement or instrument governing Indebtedness assumed in connection with a Permitted Acquisition, to the extent the relevant encumbrance or restriction was not agreed to or adopted in connection with, or in anticipation of, the respective Permitted Acquisition and does not apply to the Borrower or any Restricted Subsidiary of the Borrower, or the properties of any such Person, other than the Persons or the properties acquired in such Permitted Acquisition;

(viii) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(ix) any agreement or instrument relating to Indebtedness of a Foreign Subsidiary incurred pursuant to Section 9.04 to the extent such encumbrance or restriction only applies to such Foreign Subsidiary;

(x) an agreement effecting a refinancing, replacement or substitution of Indebtedness issued, assumed or incurred pursuant to an agreement or instrument referred to in clause (vii) above; *provided* that the provisions relating to such encumbrance or restriction contained in any such refinancing, replacement or substitution agreement are no less favorable to the Borrower or the Lenders in any material respect than the provisions relating to such encumbrance or restriction contained in the agreements or instruments referred to in such clause (vii);

(xi) restrictions on the transfer of any asset subject to a Lien permitted by Section 9.01 (in the case of Liens securing Indebtedness for borrowed money, subject to clause (xv) below);

(xii) restrictions and conditions imposed by the terms of the documentation governing any Indebtedness of a Restricted Subsidiary of the Borrower that is not a Credit Party, which Indebtedness is permitted by Section 9.04;

(xiii) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 9.05 and applicable solely to such joint venture;

(xiv) on or after the execution and delivery thereof, the Permitted Junior Debt Documents; and

(xv) negative pledges and restrictions on Liens in favor of any holder of Indebtedness for borrowed money permitted under Section 9.04 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and/or the Collateral Agent and the Secured Parties with respect to the credit facilities established hereunder and the Obligations under the Credit Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens securing the Obligations under the Credit Documents equally and ratably or on a junior basis.

Section 9.09. *Business*. The Borrower will not permit at any time the business activities taken as a whole conducted by the Borrower and its Restricted Subsidiaries to be materially different from the business activities taken as a whole conducted by the Borrower and its Restricted Subsidiaries on the Closing Date (after giving effect to the Transaction) and Similar Business.

Section 9.10. *Negative Pledges*. The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, agree or covenant with any Person to restrict in any way its ability to grant any Lien on its assets in favor of the Lenders, other than pursuant to the ABL/Term Intercreditor Agreement, any Additional Intercreditor Agreement or any other intercreditor agreement contemplated by this Agreement, and except that this Section 9.10 shall not apply to

(xvi) any covenants contained in this Agreement or any other Credit

Documents or that exist on the Closing Date;

(xvii) covenants existing under the ABL Credit Agreement as in effect on the Closing Date and the other credit documents pursuant thereto;

(xviii) the covenants contained in any Refinancing Note Documents or any Permitted Junior Debt (in each case so long as same do not restrict the granting of Liens to secure Indebtedness pursuant to this Agreement;

(xix) covenants and agreements made in connection with any agreement relating to secured Indebtedness permitted by this Agreement but only if such covenant or agreement applies solely to the specific asset or assets to which such Lien relates;

(xx) customary provisions in leases, subleases, licenses or sublicenses and other contracts restricting the right of assignment thereof;

(xxi) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures that are applicable solely to such joint venture;

(xxii) restrictions imposed by law;

(xxiii) customary restrictions and conditions contained in agreements relating to any sale of assets or Equity Interests pending such sale, provided such restrictions and conditions apply only to the Person or property that is to be sold;

(xxiv) contractual obligations binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary, so long as such contractual obligations were not entered into solely in contemplation of such Person becoming a Restricted Subsidiary;

(xxv) negative pledges and restrictions on Liens in favor of any holder of Indebtedness for borrowed money entered into after the Closing Date and otherwise permitted under Section 9.04 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and/or the Collateral Agent and the Secured Parties with respect to the credit facilities established hereunder and the Obligations under the Credit Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens securing the Obligations under the Credit Documents equally and ratably or on a junior basis except pursuant to the ABL/Term Intercreditor Agreement or an Additional Intercreditor Agreement;

(xxvi) restrictions on any Foreign Subsidiary pursuant to the terms of any Indebtedness of such Foreign Subsidiary permitted to be incurred hereunder;

(xxvii) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business; and

(xxviii) any restrictions on Liens imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i), (ii), (iii), (ix), (x) and (xi) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrower, no more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

ARTICLE 10
EVENTS OF DEFAULT

Section 10.01. *Events of Default*. Any of the following shall constitute an Event of Default:

(a) *Payments*. The Borrower shall *(a)* default in the payment when due of any principal of any Term Loan or any Note or *(b)* default, and such default shall continue unremedied for five or more Business Days, in the payment when due of any interest on any Term Loan or Note, or any Fees or any other amounts owing hereunder or under any other Credit Document; or

(b) *Representations, etc*. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or in any certificate delivered to the Administrative Agent or any Lender pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; *provided*, that in the case of any representation or warranty made or deemed made on the Closing Date which is not an Acquisition Agreement Representation or a Specified Representation, such inaccuracy shall not be an Event of Default under this clause (b) unless such representation and warranty remains untrue on or after the date that is 90 days following the Closing Date; or

(c) *Covenants*. The Parent or any of its Restricted Subsidiaries shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Section 8.01(e)(i), 8.02(b), 8.04 (as to the Parent), 8.08, 8.09, 8.11, 8.14(a), 8.17(a)(i), 8.17(c) (other than any such default which is not directly caused by the action or inaction of the Parent or any of its Restricted Subsidiaries, which such default shall be subject to clause (iii) below), or Article 9, (ii) fail to deliver a Borrowing Base Certificate required to be delivered pursuant to Section 8.17(a)(ii) within three (3) days of the date such Borrowing Base Certificate is required to be delivered (or immediately, during the occurrence of a Liquidity Period), (iii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement or in any other Credit Document (other than those set forth in Sections 10.01(a) and 10.01(b)), and such default shall continue unremedied for a period of 30 days after written notice thereof to the defaulting party by the Administrative Agent or the Required Lenders; or

(d) *Default Under Other Agreements* . (a) The Parent or any of its Restricted Subsidiaries shall (x) default in any payment of any Indebtedness (other than **[Redacted – Intercompany Obligations]** and other than the Obligations) beyond the period of grace, if any, provided in an instrument or agreement under which such Indebtedness was created or (y) default in the observance or performance of any agreement or condition relating to any Indebtedness (other than **[Redacted – Intercompany Obligations]** and other than the Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a

trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Indebtedness to become due prior to its stated maturity, or (b) any Indebtedness (other than **[Redacted – Intercompany Obligations]** and other than the Obligations) of the Parent or any of its Restricted Subsidiaries shall be declared to be (or shall become) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, *provided* that (i) it shall not be a Default or an Event of Default under this Section 10.01(d) unless the aggregate principal amount of all Indebtedness as described in preceding clauses (a) and (b) is at least equal to the Threshold Amount and (ii) the preceding clause (b) shall not apply to Indebtedness that becomes due as a result of a voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is otherwise permitted hereunder; or

(e) *Bankruptcy, etc*. The Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence a voluntary case or proceeding concerning itself under Title 11 of the United States Code entitled "**Bankruptcy,**" as now or hereafter in effect, or any successor thereto (the "**Bankruptcy Code**") or under the provisions of the Bankruptcy and Insolvency Act (Canada) or the Companies' Creditors Arrangement Act (Canada) or any other bankruptcy, insolvency or other similar law or makes an assignment in bankruptcy, makes a proposal to its creditors or files notice of its intention to do so, institutes any other proceeding under applicable law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, receivership compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or an involuntary case or proceeding is commenced against the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), and the petition is not controverted within 21 days, or is not dismissed within 30 days, after commencement of the case; or the Parent or any of its Restricted Subsidiaries applies for the appointment of, or the taking of possession by a custodian (as defined in the Bankruptcy Code), receiver, receiver-manager, interim receiver, trustee, monitor, liquidator or other similar official, or such official is appointed for, or takes charge of, all or substantially all of the property of the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) commences any other proceeding under any reorganization, bankruptcy, insolvency, arrangement, winding-up, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), or there is commenced against the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any such proceeding which remains undismissed for a period of 30 days, or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) suffers any appointment of any custodian, receiver, receiver-manager, interim receiver, trustee, monitor or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 30 days; or the Parent or any of its Restricted Subsidiaries (other than any

Immaterial Subsidiary) makes a general assignment for the benefit of creditors; or any corporate, limited liability company or similar action is taken by the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) for the purpose of effecting any of the foregoing; or

(f) *ERISA*. (a) An ERISA Event has occurred with respect to a Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in a Material Adverse Effect; (b) there is or arises Unfunded Pension Liability which has resulted or would reasonably be expected to result in a Material Adverse Effect, (c) there is or arises any potential withdrawal liability under Section 4201 of ERISA, if the Lead Borrowers, any Restricted Subsidiary of the Parent or the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans which has resulted or would reasonably be expected to result in a Material Adverse Effect, (d) a Foreign Pension Plan or Canadian Pension Plan has failed to comply with, or be funded in accordance with, applicable law which has resulted or would reasonably be expected to result in a Material Adverse Effect, or (e) there arises with respect to the Parent, any Borrower or any Restricted Subsidiaries, any Canadian Unfunded Pension Liability in an amount exceeding the Threshold Amount or in such other amount as would reasonably be expected to result in a Material Adverse Effect; or

(g) *Security Documents*. Any of the Security Documents shall cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including, without limitation (to the extent provided therein), a perfected security interest or hypothec in, and Lien on, all of the Collateral (other than Collateral with an aggregate fair market value not in excess of $10,000,000), in favor of the Collateral Agent, superior to and prior to the rights of all third Persons (except as permitted by Section 9.01), and subject to no other Liens (except as permitted by Section 9.01)); or

(h) *Guaranties*. Any Guaranty or any provision thereof shall cease to be in full force or effect as to any Guarantor, or any Guarantor or any Person acting for or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under the Guaranty to which it is a party or any Guarantor shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to the Guaranty to which it is a party; or

(i) *Judgments*. One or more judgments or decrees shall be entered against the Parent or any Restricted Subsidiary (other than any Immaterial Subsidiary) of the Parent involving in the aggregate for the Parent and its Restricted Subsidiaries a liability or liabilities (not paid or fully covered by a reputable and solvent insurance company with respect to judgments for the payment of money) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and (i) the aggregate amount of all such judgments and decrees (to the extent not paid or fully covered by such insurance company) equals or exceeds the Threshold Amount or (ii) such judgments, individually and in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect; or

(j) *Change of Control*. A Change of Control shall occur; or

(k) *Actual or Asserted Impairment*. At any time after the execution thereof, (i) any Credit Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof) or shall be declared null and void or (ii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability or shall contest in writing the validity or perfection of any Lien in any material portion of the Collateral purported to be covered by the Security Documents.

Section 10.02. *Remedies Upon Event of Default*. If any Event of Default shall have occurred and be continuing, the Administrative Agent may, with the consent of the Required Lenders, and shall, upon the written request of the Required Lenders, in each case by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Lender or the holder of any Note to enforce its claims against any Credit Party (provided that, if an Event of Default specified in Section 10.01(e) shall occur with respect to any Credit Party, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): *(i)* declare the Total Commitment terminated, whereupon all Commitments of each Lender shall forthwith terminate immediately; *(j)* declare the principal of and any accrued interest in respect of all Term Loans and the Notes and all Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; *(k)* enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; and *(l)* enforce the Subsidiaries Guaranty.

ARTICLE 11
THE ADMINISTRATIVE AGENT

Section 11.01. *Appointment and Authority*

(ss)Each of the Lenders hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together

with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders and neither the Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Administrative Agent shall also act as the "Collateral Agent" under the Credit Documents, and each of the Lenders hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 11.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article 11 (including Section 11.05, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Credit Documents) as if set forth in full herein with respect thereto.

Section 11.02. *Rights as a Lender.*

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

Section 11.03. *Exculpatory Provisions.*

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(d) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.02 and Section 12.11) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower or a Lender.

(e) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (v) the satisfaction of any condition set forth in Article 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 11.04. *Reliance by Administrative Agent.*

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website

posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Term Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Term Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 11.05. *Delegation of Duties.*

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 11.06. *Resignation of Administrative Agent.*

(k) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person

as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 4.04(e) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 11.07. *Non-Reliance on Administrative Agent and Other Lenders.* Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 11.08. *No Other Duties, Etc*. Anything herein to the contrary

notwithstanding, none of the Bookrunners, Arrangers or other titles as necessary listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 11.09. *Administrative Agent May File Proofs of Claim; Credit Bidding.* In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(d) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 3.01 and Section 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 3.01 and Section 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United

States, or under the provisions of the Bankruptcy and Insolvency Act (Canada) or the Companies' Creditors Arrangement Act (Canada), or any similar Laws in any other jurisdictions to which a Credit Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) through (g) of Section 12.11, (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

Section 11.10. *Collateral and Guaranty Matters.* Without limiting the provision of Section 11.10, the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Credit Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Credit Document to a Person that is not a Credit Party, (iii) that constitutes "Excluded Property" (as such term is defined in the Security Agreement), or (iv) if approved, authorized or ratified

in writing in accordance with Section 12.11;

(b) to release any Guarantor from its obligations under the Subsidiaries Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Credit Documents; and

(c) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such property that is permitted by Section 9.01(vi).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Subsidiaries Guaranty pursuant to this Section 11.10. In each case as specified in this Section 12.11, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Subsidiaries Guaranty, in each case in accordance with the terms of the Credit Documents and this Section 11.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Without limiting the powers of the Collateral Agent under this Agreement and the Security Documents, each Lender and the Collateral Agent acknowledges and agrees that the Collateral Agent shall, for the purposes of holding any security granted under the Security Documents governed by the laws of the Province of Québec to secure payment of bonds or any other title of Indebtedness (collectively, in this subsection, the "**Bonds**"), be the holder of an irrevocable power of attorney (*fondé de pouvoir*), within the meaning of Article 2692 of the Civil Code of Québec, for all present and future holders and depositaries of the Bonds. Each of the Lenders and the Collateral Agent constitutes, to the extent necessary, the Collateral Agent as the holder of such irrevocable power of attorney (*fondé de pouvoir*) in order to hold security granted under the Security Documents governed by the laws of the Province of Québec to secure payment of the Bonds. Each Person who becomes a Lender and any successor to the Collateral Agent shall be deemed to have confirmed and ratified the constitution of the Collateral Agent as the holder of such irrevocable power of attorney (*fondé de pouvoir*). Furthermore, the Lenders hereby authorize the Collateral Agent to act in the capacity of the holder and depositary of any Bond for the benefit of all present and future Lenders. Notwithstanding the provisions of Section 32 of an Act respecting the Special Powers of Legal Persons (Québec), the Collateral Agent may acquire and be the holder of a Bond. Each Credit Party acknowledges that each of the Bonds executed by it

shall constitute a title of indebtedness, as such term is used in Article 2692 of the Civil Code of Québec. Notwithstanding the provisions of Section 12.10, the provisions of this subsection shall be governed by the laws of the Province of Québec and the federal laws of Canada applicable therein.

Section 11.11. *Rights as a Lender.* The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 11.12. *Reliance by Administrative Agent*. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Term Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Term Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 11.13. *Special Provisions Applicable to Joint Lead Arrangers and Syndication Agents* . Notwithstanding anything to the contrary contained above in this Article 11, the Lenders and Credit Parties hereby recognize and agree that the Joint Lead Arrangers and the Syndication Agents are titles given for recognition purposes only, and no Joint Lead Arranger or Syndication Agents shall have any obligation, duty or responsibility under this Agreement or the other Credit Documents. Furthermore, each Joint Lead Arranger or Syndication Agents may at any time resign hereunder by providing written notice of such resignation to the Administrative Agent and the Borrower.

Section 11.14. *Withholding Taxes*. To the extent required by any applicable law (as determined in the good-faith discretion of the withholding agent), the Administrative Agent may withhold from any payment to any lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service, the Canada Revenue Agency or any other

authority of the United States, Canada or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective), such Lender shall, within 10 days after written demand therefor, indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower pursuant to Section 4.04 and without limiting or expanding the obligation of the Borrower to do so) for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due the Administrative Agent under this Section 11.14. The agreements in this Section 11.14 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE 12
MISCELLANEOUS

Section 12.01. *Payment of Expenses, etc*.

(b) The Credit Parties hereby jointly and severally agree to: (a) if the Closing Date occurs, pay all reasonable invoiced out-of-pocket costs and expenses of the Agents (including, without limitation, the reasonable fees and disbursements of Davis Polk & Wardwell LLP and Borden Ladner Gervais LLP and, if reasonably necessary, one local counsel in any other relevant jurisdiction) in connection with the preparation, execution and delivery of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein, the administration hereof and thereof and any amendment, waiver or consent relating hereto or thereto (whether or not effective), of the Agents in connection with their syndication efforts with respect to this Agreement and of the Agents and each Lender in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings (and, in each case, in the case of an actual or perceived conflict of interest, where the party affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel, for each such affected party similarly situated); (b) pay and hold each Agent and each Lender harmless from and against

any and all Other Taxes with respect to the foregoing matters and save each Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Agent, such Lender or Joint Lead Arranger) to pay such Other Taxes; and (c) indemnify each Agent and each Lender and each of their respective Affiliates, successors and assigns, and the partners, officers, directors, employees, trustees, agents, advisors, controlling persons, investment advisors and other representatives of each of the foregoing (each, an "**Indemnified Person**") from and against and hold each of them harmless against (and will reimburse each Indemnified Person as the same are incurred for) any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements and documented out-of-pocket expenses) incurred by, imposed on, assessed or asserted against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not any Agent or any Lender is a party thereto and whether or not such investigation, litigation or other proceeding is brought by or on behalf of any Credit Party) related to the entering into and/or performance of this Agreement or any other Credit Document or the proceeds of any Term Loans hereunder or the consummation of the Transaction or any other transactions contemplated herein or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or (b) the actual or alleged presence of Hazardous Materials in the Environment relating in any way to any Real Property owned, leased or operated, at any time, by the Borrower, any of its Subsidiaries or any of their respective predecessors; the generation, storage, transportation, handling, treatment, use, Release or threat of Release of Hazardous Materials by or on behalf of the Borrower, any of its Subsidiaries or any of their respective predecessors at any location, whether or not owned, leased or operated by the Borrower or any of its Subsidiaries or any of their respective predecessors; the non-compliance by the Borrower or any of its Subsidiaries or any of their respective predecessors with any Environmental Law (including applicable permits thereunder); or any Environmental Claim or liability under any applicable Environmental Laws related to the Borrower or any of its Subsidiaries or any of their respective predecessors or relating in any way to any Real Property at any time owned, leased or operated by the Borrower or any of its Subsidiaries or any of their respective predecessors (but excluding in each case any losses, liabilities, claims, damages or expenses (d) to the extent incurred by reason of the gross negligence, bad faith or willful misconduct of the applicable Indemnified Person or any of its Related Indemnified Persons (e) to the extent incurred by reason of any material breach of the obligations of such Indemnified Person under this Agreement or the other Credit Documents (in the case of each of preceding clauses (i) and (ii), as determined by a court of competent jurisdiction in a final and non-appealable decision) or (f) that do not involve or arise from an act or omission by the Borrower or Guarantors or any of their respective affiliates and is brought by an Indemnified Person against an Indemnified Person (other than claims against any Agent or any Joint Lead Arranger in its capacity as such or in its fulfilling such role). To the extent that the undertaking to indemnify, pay or hold harmless any Agent or any Lender or other Indemnified Person set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Credit Parties shall make the maximum contribution to the payment

and satisfaction of each of the indemnified liabilities which is permissible under applicable law. Notwithstanding the foregoing, this Section 12.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, liabilities, claims and damages arising from a non-Tax claim.

(c) To the fullest extent permitted by applicable law, each of the Credit Parties shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Term Loan or Letter of Credit or the use of the proceeds thereof. No Indemnified Person referred to above shall be liable for any damages arising from the use by others of any information or other materials distributed to such party by such Indemnified Person through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnified Person as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under subsection(a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Affiliate thereof, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Affiliate, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the aggregate Term Loan Commitments at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), *provided*, *further* that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Affiliate thereof acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.01(b).

Section 12.02. *Right of Setoff*.

(e) In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or

special) (other than accounts used exclusively for payroll, payroll taxes, fiduciary and trust purposes, and employee benefits) and any other Indebtedness at any time held or owing by the Administrative Agent or such Lender (including, without limitation, by branches and agencies of the Administrative Agent or such Lender wherever located) to or for the credit or the account of the Borrower or any of its Subsidiaries against and on account of the Obligations and liabilities of the Credit Parties to the Administrative Agent or such Lender under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations purchased by such Lender pursuant to Section 12.06(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

(f) NOTWITHSTANDING THE FOREGOING SUBSECTION (a), AT ANY TIME THAT THE LOANS OR ANY OTHER OBLIGATION SHALL BE SECURED BY REAL PROPERTY LOCATED IN CALIFORNIA, NO LENDER SHALL EXERCISE A RIGHT OF SETOFF, LIEN OR COUNTERCLAIM OR TAKE ANY COURT OR ADMINISTRATIVE ACTION OR INSTITUTE ANY PROCEEDING TO ENFORCE ANY PROVISION OF THIS AGREEMENT OR ANY NOTE UNLESS IT IS TAKEN WITH THE CONSENT OF THE REQUIRED LENDERS OR APPROVED IN WRITING BY THE ADMINISTRATIVE AGENT, IF SUCH SETOFF OR ACTION OR PROCEEDING WOULD OR MIGHT (PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 580a, 580b, 580d AND 726 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE OR SECTION 2924 OF THE CALIFORNIA CIVIL CODE, IF APPLICABLE, OR OTHERWISE) AFFECT OR IMPAIR THE VALIDITY, PRIORITY OR ENFORCEABILITY OF THE LIENS GRANTED TO THE COLLATERAL AGENT PURSUANT TO THE SECURITY DOCUMENTS OR THE ENFORCEABILITY OF THE NOTES AND OTHER OBLIGATIONS HEREUNDER, AND ANY ATTEMPTED EXERCISE BY ANY LENDER OF ANY SUCH RIGHT WITHOUT OBTAINING SUCH CONSENT OF THE REQUIRED LENDERS OR THE ADMINISTRATIVE AGENT SHALL BE NULL AND VOID. THIS SUBSECTION (b) SHALL BE SOLELY FOR THE BENEFIT OF EACH OF THE LENDERS AND THE ADMINISTRATIVE AGENT HEREUNDER.

Section 12.03. *Notices; Effectiveness; Electronic Communications*.

(d) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(xiii) if to the Borrower or the Administrative Agent, to the address,

facsimile number, electronic mail address or telephone number specified for such Person on Schedule 1.01(c); and

(xiv) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(e) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(f) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR

ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Credit Party's or the Administrative Agent's transmission of Borrower Materials through the Internet except for losses, claims, damages, liabilities or expenses to the extent that such losses, claims, damages, liabilities or expenses (x) are determined by a court of competent jurisdiction by a final an nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(g) Change of Address, Etc. Each of the Borrower and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws and Canadian Federal and provincial securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of such Laws.

(h) Reliance by Administrative Agent and Lenders . The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 12.04. *Successors and Assigns*

(d) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 12.04(b), (ii) by way of participation in accordance with the provisions of Section 12.04(d), or (iii) by way of pledge or assignment of a security interest or hypothec subject to the restrictions of Section 12.04(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement. No Lender may assign or transfer any of its rights or obligations hereunder to an Ineligible Transferee. Notwithstanding any other provision of this Agreement, the Administrative Agent shall have no responsibility for monitoring any assignments or participations to Ineligible Transferees. The list of all Ineligible Transferees shall be made available to all Lenders.

(e) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Term Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(ix) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Term Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Term Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Term Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption Agreement, as of the Trade Date, shall not be less than $1,000 000 unless each of the Administrative Agent and, so long as no Event of Default under Sections

10.01(a) or (e) has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(x) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Term Loans or the Commitment assigned;

(xi) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default under Sections 10.01(a)or (e) has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) any unfunded Term Commitment if such assignment is to a Person that is not a Lender with a Term Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) any Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund.

(xii) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(xiii) No Assignment to Certain Persons. Except as expressly provided herein, no such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), (C) to an Ineligible Transferee or (D) to a natural Person.

(xiv) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions

thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Term Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Term Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(xv) Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.10, Section 2.12, Section 4.04 and Section 12.01 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 12.04.

(f) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office in the United States of America a copy of each Assignment and Assumption Agreement delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Term Loans owing to,

each Lender pursuant to the terms hereof from time to time (the " **Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(g) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than an Ineligible Transferee, a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Term Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.14 without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i), (ii) and (iii) of the first proviso to Section 12.11 or clause (1) of the second proviso to Section 12.11, in each case, that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 2.10, Section 2.12 and Section 4.04 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 2.10 or Section 4.04 (subject to the requirements and limitations therein, including Section 4.04(b)-(c) (it being understood that the documentation required under Section 4.04(b)-(c) shall be delivered to the participating Lender)), than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.13 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.02 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 12.06(b) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the

Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loans or other obligations under the Credit Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or in connection with an enquiry by the Canada Revenue Agency in accordance with the provisions of the ITA. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Certain Pledges. Any Lender may at any time pledge or assign a security interest or hypothec in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 12.05. *No Waiver; Remedies Cumulative*. No failure or delay on the part of the Administrative Agent, the Collateral Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower or any other Credit Party and the Administrative Agent, the Collateral Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent, the Collateral Agent or any Lender would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent, the Collateral Agent or any Lender to any other or further action in any circumstances without notice or demand.

Notwithstanding anything to the contrary contained herein or in any other Credit Document, the authority to enforce rights and remedies hereunder and under the other Credit Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 10.02 for the benefit of all the Lenders; *provided*, *however*, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure

to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Credit Documents, (b) any Lender from exercising setoff rights in accordance with Section 12.02 (subject to the terms of Section 12.11(f)), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any Debtor Relief Law; and *provided*, *further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Credit Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.05 and (ii) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 12.11(f), any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 12.06. *Payments Pro Rata*.

(e) The Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of any Credit Party in respect of any Obligations of such Credit Party, it shall, except as otherwise provided in this Agreement, distribute such payment to the Lenders (other than any Lender that has consented in writing to waive its pro rata share of such payment) pro rata based upon their respective shares, if any, of the Obligations with respect to which such payment was received.

(f) Each of the Lenders agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise) which is applicable to the payment of the principal of, or interest on, the Term Loans or Fees, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Obligation then owed and due to such Lender bears to the total of such Obligation then owed and due to all of the Lenders immediately prior to such receipt, then such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Obligations of the respective Credit Party to such Lenders in such amount as shall result in a proportional participation by all of the Lenders in such amount; *provided* that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(g) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 12.06(a) and (b) shall be subject to (x) the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Lenders as opposed to Defaulting Lenders, (y) the express provisions of this Agreement which permit disproportionate payments with respect to various of the Tranches as, and to the extent, provided herein, and (z) any other provisions which permit disproportionate payments with respect to the Term Loans as, and to the extent, provided therein.

Section 12.07. *Calculations; Computations*.

(i) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with IFRS consistently applied throughout the periods involved (except as set forth in the notes thereto); *provided* that (g) except as otherwise specifically provided herein, all computations of Excess Cash Flow and the Applicable Margin, and all computations and all definitions (including accounting terms) used in determining compliance with Section 8.13, shall utilize IFRS and policies in conformity with those used to prepare the audited financial statements of the Borrower referred to in Section 7.05(a)(i) for the fiscal year of the Borrower ended May 31, 2013 and, (h) to the extent expressly provided herein, certain calculations shall be made on a Pro Forma Basis; *provided*, *further*, that if any change in IFRS (including any change that is the result of an election by the Borrower that its financial statements be prepared and maintained in accordance with GAAP or Canadian GAAP) results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Credit Document, then the Borrower, the Administrative Agent and the Lenders agree to amend such provisions of this Agreement so as to equitably reflect such changes in IFRS (including any change that is the result of an election by the Borrower that its financial statements be prepared and maintained in accordance with GAAP or Canadian GAAP) with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such change in IFRS as if such change had not been made; *provided*, *further*, that, notwithstanding any other provision of this Agreement, the Required Lenders' agreement to any amendment of such provisions shall be sufficient to bind all Lenders; *provided*, *further*, that until such time as the financial covenants and the related provisions of this Agreement have been amended in accordance with the terms of this paragraph, the calculations of financial covenants and the interpretation of any related provisions shall be calculated and interpreted in accordance with IFRS as in effect immediately prior to such change in IFRS (including any change that is the result of an election by the Borrower that its financial statements be prepared and maintained in accordance with GAAP or Canadian GAAP); *provided*, *further*, that all determinations made pursuant to any applicable leverage test or any financial definition used therein shall be determined on the basis of IFRS as applied and in effect immediately before the relevant change in IFRS or the application thereof became effective, until such leverage test or such financial definition is amended. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to Statement of Financial Accounting Standards 141R or ASC 805 (or any other financial accounting standard having a similar result or effect). Notwithstanding any changes in IFRS after the Closing Date, any lease of the Borrower or the Subsidiaries that would be characterized as an operating lease under IFRS in effect on the Closing Date (whether such lease is entered into before or after the Closing Date) shall not constitute Indebtedness or a Capitalized Lease Obligation under this Agreement or any other Credit Document as a result of such changes in IFRS.

(j) All computations of interest (other than interest based on the Base Rate) and other Fees hereunder shall be made on the basis of a year of 360 days for the actual number

of days (including the first day but excluding the last day) occurring in the period for which such interest or Fees are payable. All computations of interest determined by reference to the Base Rate shall be based on a 365 day or 366 day year, as the case may be.

(k) The calculation of any financial ratios under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-down if there is no nearest number).

Section 12.08. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL* .

(e) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN THE RELEVANT SECURITY DOCUMENT, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION). ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (EXCEPT THAT, (X) IN THE CASE OF ANY MORTGAGE OR OTHER SECURITY DOCUMENT, PROCEEDINGS MAY ALSO BE BROUGHT BY THE ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN THE JURISDICTION IN WHICH THE RELEVANT MORTGAGED PROPERTY OR COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS SHALL BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, EACH OF THE PARTIES HERETO OR THERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENTS BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO

THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(f) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

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

Section 12.09. *Counterparts*. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

Section 12.10. *Headings Descriptive*. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 12.11. *Amendment or Waiver; etc*.

(a) Neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Credit Parties party hereto or thereto and the Required Lenders (although additional parties may be added to (and annexes may be modified to reflect such additions) the Subsidiaries Guaranty and the Security Documents in accordance with the provisions hereof and thereof without the consent of the other Credit Parties party thereto or the Required Lenders), *provided* that no such change, waiver, discharge or termination shall:

(i) without the prior written consent of each Lender directly and adversely affected thereby, extend the final scheduled maturity or scheduled date of any amortization payment of any Term Loan or Note, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with the applicability of any post-default increase in interest rates) or reduce or forgive the principal amount thereof;

(j) except as otherwise expressly provided in the Security Documents, release all or substantially all of the Collateral under all the Security Documents without the prior written consent of each Lender;

(k) except as otherwise provided in the Credit Documents, release all or substantially all of the value of the Subsidiaries Guaranty without the prior written consent of each Lender;

(l) amend, modify or waive any provision of this Section 12.11(a) or Section 12.06 (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to the Initial Term Loans on the Closing Date), in each case, without the prior written consent of each Lender directly and adversely affected thereby;

(m) reduce the percentage specified in the definition of Required Lenders without the prior written consent of each Lender directly and adversely affected thereby (it being understood that, with the prior written consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders, as applicable, on substantially the same basis as the extensions of Initial Term Loans are included on the Closing Date); or

(n) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement without the consent of each Lender;

provided, *further*, that no such change, waiver, discharge or termination shall (i) increase the Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Commitment shall not constitute an increase of the Commitment of any Lender), (ii) without the consent of each Agent adversely affected thereby, amend, modify or waive any provision of Article 11 or any other provision as same relates to the rights or obligations of such Agent, (iii) without the consent of Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent, (iv) except in cases where additional extensions of term loans are being afforded substantially the same treatment afforded to the Term Loans pursuant to this Agreement as in effect on the Closing Date, without the consent of the Majority Lenders of each Tranche which is being allocated a lesser prepayment, repayment or commitment reduction, alter the required application of any prepayments or repayments (or commitment reduction), as between the various Tranches, pursuant to Section 4.01 or 4.02 (although (x) the Required Lenders may waive, in whole or in part, any such prepayment, repayment or commitment reduction, so long as the application, as amongst the various Tranches, of any such prepayment, repayment or commitment reduction which is still required to be made is not altered and (y) any conversion of any Tranche of Term Loans into another Tranche of Term Loans hereunder in like principal amount and any other conversion of any Tranche of Term Loans into Extended Term Loans pursuant to an Extension Amendment shall not be considered a "prepayment" or "repayment" for purposes of this clause (4)) or (v) without the consent of the Majority Lenders of the respective Tranche affected thereby, amend the definition of Majority Lenders (it being understood that, with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Majority Lenders on substantially the same basis as the extensions of Term Loans and Commitments are included on the Closing Date); and *provided further* that only the consent the Administrative Agent shall be necessary for amendments described in clause (y) of the second proviso contained in clause (vi) of the definition of "Permitted Junior Loans."

(b) If, in connection with any proposed change, waiver, discharge or termination of any of the provisions of this Agreement as contemplated by clauses (i) through (v), inclusive, of the first proviso to Section 12.11(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained (such Lender, a "**Non-Consenting Lender**"), then the Borrower shall have the right, so long as all Non-Consenting Lenders whose individual consent is required are treated as described in either clauses (A) or (B) below, to either (ii) replace each such Non-Consenting Lender or Lenders with one or more replacement Lenders pursuant to Section 12.20 so long as at the time of such replacement, each such replacement Lender consents to the proposed change, waiver, discharge or termination or (iii) terminate such Non-Consenting Lender's Commitments and/or repay the outstanding Term Loans of each

Tranche of such Lender in accordance with Section 4.01(b), *provided* that, unless the Commitments that are terminated, and Term Loans repaid, pursuant to the preceding clause (B) are immediately replaced in full at such time through the addition of new Lenders or the increase of outstanding Term Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (B) the Required Lenders (determined after giving effect to the proposed action) shall specifically consent thereto, *provided*, *further*, that in any event the Borrower shall not have the right to replace a Lender, terminate its Commitments or repay its Term Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 12.11(a).

(c) Notwithstanding anything to the contrary contained in clause (a) of this Section 12.11, the Borrower, the Administrative Agent and each Incremental Term Loan Lender may, in accordance with the provisions of Section 2.16 enter into an Incremental Term Loan Commitment Agreement, *provided* that after the execution and delivery by the Borrower, the Administrative Agent and each such Incremental Term Loan Lender of such Incremental Term Loan Commitment Agreement, such Incremental Term Loan Commitment Agreement, may thereafter only be modified in accordance with the requirements of clause (a) above of this Section 12.11.

(d) Notwithstanding anything to the contrary in clause (a) above of this Section 12.11, this Agreement may be amended (or amended and restated) (o) with the written consent of the Required Lenders, the Administrative Agent and the Borrower, (x) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loan and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and (p) with the written consent of the Administrative Agent, the Borrower and the Refinancing Term Loan Lenders, in connection with any refinancing facilities permitted pursuant to Section 2.17.

(e) Notwithstanding anything to the contrary herein, any fee letter may be amended, or rights and privileges thereunder waived, in a writing executed only by the parties thereto.

(f) Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, to the fullest extent permitted by applicable law, such Lender will not be entitled to vote in respect of amendments, waivers and consents hereunder and the Commitment and the outstanding Term Loans or other extensions of credit of such Lender hereunder will not be taken into account in determining whether the Majority Lenders, the Required Lenders or all of the Lenders, as required, have approved any such amendment, waiver or consent (and the definitions of "Majority Lenders" and "Required Lenders" will automatically be deemed modified accordingly for the duration of such period); *provided* that any such amendment or waiver that would increase or extend the term of the

Commitment of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Lender.

(g) Further, notwithstanding anything to the contrary contained in this Section 12.11, if following the Closing Date, the Administrative Agent and any Credit Party shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Documents, then the Administrative Agent and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Credit Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

Section 12.12. *Survival*. All indemnities set forth herein including, without limitation, in Sections 2.10, 2.11, 4.03,Section 11.07 and 12.01 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Obligations.

All representations and warranties made hereunder and in any other Credit Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Event, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 12.13. *Domicile of Term Loans* . Each Lender may transfer and carry its Term Loans at, to or for the account of any office, Subsidiary or Affiliate of such Lender. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of Term Loans pursuant to this Section 12.13 would, at the time of such transfer, result in increased costs under Section 2.10, 2.11 or 4.03 from those being charged by the respective Lender prior to such transfer, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective transfer).

Section 12.14. *Confidentiality*.

(a) Subject to the provisions of clause (b) of this Section 12.14, each Agent, Joint Lead Arranger, Syndication Agent and Lender agrees that it will use its commercially reasonable efforts not to disclose without the prior consent of the Borrower (other than to

its directors, officers, employees, accountants, auditors, advisors or counsel or other representatives or to another Lender if such Lender or such Lender's holding or parent company in its sole discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section 12.14 to the same extent as such Lender (or language substantially similar to this Section 12.14(a)) any information with respect to the Borrower or any of its Subsidiaries that is now or in the future furnished pursuant to this Agreement or any other Credit Document, *provided* that any Lender may disclose any such information (q) as has become generally available to the public other than by virtue of a breach of this Section 12.14(a) by such Lender, (r) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state, provincial or federal regulatory body having or claiming to have jurisdiction over such Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or the Canada Deposit Insurance Corporation or similar organizations (whether in the United States, Canada or elsewhere) or their successors, (s) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (t) in order to comply with any law, order, regulation or ruling applicable to such Lender, (u) to the Administrative Agent or the Collateral Agent, (v) to any prospective or actual direct or indirect contractual counterparty in any swap, hedge or similar agreement (or to any such contractual counterparty's professional advisor), so long as such contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section 12.14 (or language substantially similar to this Section 12.14(a)), and (w) to any prospective or actual transferee, pledgee or participant in connection with any contemplated transfer, pledge or participation of any of the Notes or Commitments or any interest therein by such Lender, *provided* that such prospective transferee, pledge or participant agrees to be bound by the confidentiality provisions contained in this Section 12.14 (or language substantially similar to this Section 12.14(a)); *provided*, *further*, that, to the extent permitted pursuant to any applicable law, order, regulation or ruling, and other than in connection with credit and other bank examinations conducted in the ordinary course with respect to such Lender, in the case of any disclosure pursuant to the foregoing clauses (ii), (iii) or (iv), such Lender will use its commercially reasonable efforts to notify the Borrower in advance of such disclosure so as to afford the Borrower the opportunity to protect the confidentiality of the information proposed to be so disclosed.

(b) The Borrower hereby acknowledge and agree that each Lender may share with any of its affiliates, and such affiliates may share with such Lender, any information related to the Borrower or any of its Subsidiaries (including, without limitation, any non-public customer information regarding the creditworthiness of the Borrower and its Subsidiaries), provided such Persons shall be subject to the provisions of this Section 12.14 to the same extent as such Lender.

Section 12.15. *USA Patriot Act and Canadian AML Acts Notice* . Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act Title III of Pub. 107-56 (signed into law October 26, 2001 and amended on March 9, 2009) (the "**Patriot Act**") and the Canadian AML Acts, it is required to obtain, verify, and record information that identifies

the Borrower and each Subsidiary Guarantor, which information includes the name of each Credit Party and other information that will allow such Lender to identify the Credit Party in accordance with the Patriot Act and the Canadian AML Acts, and each Credit Party agrees to promptly provide such information from time to time to any Lender.

Section 12.16. *Special Provisions Regarding Pledges of Equity Interests in Persons Not Organized in Qualified Jurisdictions* . The parties hereto acknowledge and agree that the provisions of the various Security Documents executed and delivered by the Credit Parties require that, among other things, all Equity Interests in various Persons owned by the respective Credit Party be pledged, and delivered for pledge, pursuant to the Security Documents. The parties hereto further acknowledge and agree that each Credit Party shall be required to take all actions under the laws of the jurisdiction in which such Credit Party is organized to create and perfect all security interests or hypothecs granted pursuant to the various Security Documents and to take all actions under the laws of the United States or Canada (as applicable) to perfect the security interests in the Equity Interests of any Person organized under the laws of said jurisdictions (to the extent said Equity Interests are owned by any Credit Party).

Section 12.17. *Currency Indemnity.* If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Agents or any Lender under any Credit Document or for the payment of damages in respect of any breach of any Credit Document, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable under the relevant Credit Document (the "**Agreed Currency**"), the party against whom the judgment or order is made shall indemnify and hold the Agents and the Lenders harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Agents and the Lenders arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which the Agents or the Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Agent or the Lender on the date of receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Credit Parties under the Credit Documents and shall apply irrespective of any indulgence granted by the Agents or any Lender.

Section 12.18. *Waiver of Sovereign Immunity*. Each of the Credit Parties, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that the Borrower and its Subsidiaries or any of their properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States, Canada or elsewhere, to enforce or collect upon the Term Loans or any Credit Document or any other liability or obligation of the Borrower or any of their respective Subsidiaries related to or arising from the transactions contemplated by any of the Credit Documents, including, without limitation, immunity from service of process, immunity from jurisdiction

or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Borrower, for itself and on behalf of its Subsidiaries, hereby expressly waives, to the fullest extent permissible under applicable law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States, Canada or elsewhere. Without limiting the generality of the foregoing, the Borrower further agrees that the waivers set forth in this Section 12.18 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

Section 12.19. *INTERCREDITOR AGREEMENT*.

(a) EACH LENDER PARTY HERETO UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT IT (AND EACH OF ITS SUCCESSORS AND ASSIGNS) AND EACH OTHER LENDER (AND EACH OF THEIR SUCCESSORS AND ASSIGNS) SHALL BE BOUND BY THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT, WHICH IN CERTAIN CIRCUMSTANCES MAY REQUIRE (AS MORE FULLY PROVIDED THEREIN) THE TAKING OF CERTAIN ACTIONS BY THE LENDERS, INCLUDING THE PURCHASE AND SALE OF PARTICIPATIONS BY VARIOUS LENDERS TO EACH OTHER IN ACCORDANCE WITH THE TERMS THEREOF.

(b) THE PROVISIONS OF THIS SECTION 12.19 ARE NOT INTENDED TO SUMMARIZE OR FULLY DESCRIBE THE PROVISIONS OF THE ABL/TERM INTERCREDITOR AGREEMENT OR ANY ADDITIONAL INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO THE ABL/TERM INTERCREDITOR AGREEMENT OR ANY ADDITIONAL INTERCREDITOR AGREEMENT, AS APPLICABLE, TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NO AGENT OR ANY OF AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT. A COPY OF THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT MAY BE OBTAINED FROM THE ADMINISTRATIVE AGENT.

(c) THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT IS AN AGREEMENT SOLELY AMONGST THE LENDERS (AND THEIR SUCCESSORS AND ASSIGNS) AND IS NOT AN AGREEMENT TO WHICH THE BORROWER OR ANY OF ITS SUBSIDIARIES IS PARTY. AS MORE FULLY PROVIDED THEREIN, THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR

AGREEMENT CAN ONLY BE AMENDED BY THE PARTIES THERETO IN ACCORDANCE WITH THE PROVISIONS THEREOF.

Section 12.20. *Replacement of Lenders*. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 2.13, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.10 and Section 4.04) and obligations under this Agreement and the related Credit Documents to an Eligible Transferee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(a) the Administrative Agent shall have received all assignment fees required by Section 12.04;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Term Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 2.10 or payments required to be made pursuant to Section 4.04, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each Lender agrees that, if the Borrowers elect to replace such Lender in accordance with this Section, it shall promptly execute and deliver to the Administrative Agent an Assignment and Assumption to evidence such sale and purchase and shall deliver to the Administrative Agent any Note (if Notes have been issued in respect of such Lender's Loans) subject to such Assignment and Assumption; provided that the failure of any such non-consenting Lender to execute an Assignment and Assumption shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register.

Section 12.21. *Absence of Fiduciary Relationship*. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment,

waiver or other modification hereof or of any other Credit Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Joint Lead Arrangers, and the Lenders are arm's-length commercial transactions between the Borrower and its respective Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers, and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents; (ii) (A) the Administrative Agent, the Joint Lead Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent, the Joint Lead Arrangers, nor any Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (iii) the Administrative Agent, the Arranger, the Joint Lead Arrangers, the Lenders, and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, the Joint Lead Arrangers, nor any Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Joint Lead Arrangers and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

BAUER PERFORMANCE SPORTS, LTD.

By: /s/ Michael J. Wall
Name: Michael J. Wall
Title: Secretary and General Counsel

BANK OF AMERICA, N.A.,
as Administrative Agent, Collateral Agent and
Lender

/s/ Ronaldo Naval

Name: Ronaldo Naval
Title: Vice President

Schedule 1.01(a)
Unrestricted Subsidiaries

None.

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

Schedule 1.01(b)
Commitments

[Redacted – Lender Commitments].

Schedule 1.01(c)
Lender Addresses

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ronaldo Naval
Phone: 214-209-1162
Email: ronaldo.naval@baml.com
Fax Number: 877-511-6124

Schedule 2.18(a)(i)
Reverse Dutch Auction Procedures

Reference is made to the Term Loan Credit Agreement dated as of April 15, 2014 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Bauer Performance Sports Ltd., a Canadian corporation (the "**Borrower**"), the lenders party thereto and Bank of America, N.A., as administrative agent and as collateral agent. Terms defined in the Credit Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein.

This outline is intended to summarize certain basic terms of procedures with respect to Reverse Dutch Auctions pursuant to and in accordance with the terms and conditions of Section 2.18(a) of the Credit Agreement to which this Schedule 2.19(a) is attached. It is not intended to be a definitive list of all of the terms and conditions of a Reverse Dutch Auction and all such terms and conditions shall be set forth in the applicable auction procedures documentation set for each Reverse Dutch Auction (the "**Offer Documents**"). None of the Administrative Agent, Bank of America, N.A. (or, if Bank of America, N.A. declines to act in such capacity, an investment bank of recognized standing selected by the Borrower) (the "**Auction Manager**") or any of their respective Affiliates makes any recommendation pursuant to the Offer Documents as to whether or not any Lender should sell by assignment any of its Term Loans pursuant to the Offer Documents (including, for the avoidance of doubt, by participating in the Reverse Dutch Auction as a Lender) or whether or not the Borrower should purchase by assignment any Term Loans from any Lender pursuant to any Reverse Dutch Auction. Each Lender should make its own decision as to whether to sell by assignment any of its Term Loans and, if so, the principal amount of and price to be sought for such Term Loans. In addition, each Lender should consult its own attorney, business advisor or tax advisor as to legal, business, tax and related matters concerning any Reverse Dutch Auction and the Offer Documents.

Summary. The Borrower may, subject to Section 2.18(a) of the Credit Agreement, purchase (by assignment) Loans on a non-pro rata basis by conducting one or more Reverse Dutch Auctions pursuant to the procedures described herein; provided that no more than one Reverse Dutch Auction may be ongoing at any one time.

Notice Procedures. In connection with each Reverse Dutch Auction, the Borrower will provide notification to the Auction Manager (for distribution to the Lenders) of the Term Loans that will be the subject of the Reverse Dutch Auction by delivering to the Auction Manager a written notice in form and substance reasonably satisfactory to the Auction Manager (an "**Auction Notice**"). Each Auction Notice shall contain (i) the minimum principal amount (calculated on the face amount thereof) of all Term Loans that the Borrower offers to purchase in any such Auction (the "**Auction Amount**") shall be no less than $5,000,000, (ii) the range of discounts to par (the "**Discount Range**"), expressed as a range of prices per $1,000 of Term Loans, at which the Borrower would be willing to purchase Term Loans in the Reverse Dutch Auction and (iii) the date on which the Reverse Dutch Auction will conclude, on which date Return Bids (as defined below) will be due at the time provided in the Auction Notice (such time, the "**Expiration Time**"), as such date and time may be extended upon notice by the Borrower to the Auction Manager not less than 24 hours before the original

Expiration Time. The Auction Manager will deliver a copy of the Offer Documents to each Lender promptly following completion thereof.

Reply Procedures. In connection with any Reverse Dutch Auction, each Lender holding Term Loans wishing to participate in such Reverse Dutch Auction shall, prior to the Expiration Time, provide the Auction Manager with a notice of participation in form and substance reasonably satisfactory to the Auction Manager (the "**Return Bid**") to be included in the Offer Documents, which shall specify (i) a discount to par that must be expressed as a price per $1,000 of Term Loans (the "**Reply Price**") within the Discount Range and (ii) the principal amount of Term Loans, in an amount not less than $1,000,000, that such Lender is willing to offer for sale at its Reply Price (the "**Reply Amount**"); provided that each Lender may submit a Reply Amount that is less than the minimum amount and incremental amount requirements described above only if the Reply Amount comprises the entire amount of the Term Loans held by such Lender at such time. A Lender may only submit one Return Bid per Reverse Dutch Auction, but each Return Bid may contain up to three component bids, each of which may result in a separate Qualifying Bid (as defined below) and each of which will not be contingent on any other component bid submitted by such Lender resulting in a Qualifying Bid. In addition to the Return Bid, a participating Lender must execute and deliver, to be held by the Auction Manager, an assignment and acceptance in the form included in the Offer Documents which shall be in form and substance reasonably satisfactory to the Auction Manager and the Administrative Agent (the "**Auction Assignment and Acceptance** "). The Borrower will not purchase any Term Loans at a price that is outside of the applicable Discount Range, nor will any Return Bids (including any component bids specified therein) submitted at a price that is outside such applicable Discount Range be considered in any calculation of the Applicable Threshold Price (as defined below).

Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Manager, the Auction Manager, in consultation with the Borrower, will calculate the lowest purchase price (the " **Applicable Threshold Price**") for the Reverse Dutch Auction within the Discount Range for the Reverse Dutch Auction that will allow the Borrower to complete the Reverse Dutch Auction by purchasing the full Auction Amount (or such lesser amount of Terms Loans for which the Borrower has received Qualifying Bids). The Borrower shall purchase (by assignment) Term Loans from each Lender whose Return Bid is within the Discount Range and contains a Reply Price that is equal to or less than the Applicable Threshold Price (each, a "**Qualifying Bid**"). All principal amount of Term Loans included in Qualifying Bids received at a Reply Price lower than the Applicable Threshold Price will be purchased at a purchase price equal to the applicable Reply Price and shall not be subject to proration. If a Lender has submitted a Return Bid containing multiple component bids at different Reply Prices, then all Term Loans of such Lender offered in any such component bid that constitutes a Qualifying Bid with a Reply Price lower than the Applicable Threshold Price shall also be purchased at a purchase price equal to the applicable Reply Price and shall not be subject to proration.

Proration Procedures. All Term Loans offered in Return Bids (or, if applicable, any component bid thereof) constituting Qualifying Bids equal to the Applicable Threshold Price will be purchased at a purchase price equal to the Applicable Threshold Price; provided that if the aggregate principal amount of all Term Loans for which Qualifying Bids have been submitted in

any given Reverse Dutch Auction equal to the Applicable Threshold Price would exceed the remaining portion of the Auction Amount (after deducting all Term Loans purchased below the Applicable Threshold Price), the Borrower shall purchase the Term Loans for which the Qualifying Bids submitted were at the Applicable Threshold Price ratably based on the respective principal amounts offered and in an aggregate amount up to the amount necessary to complete the purchase of the Auction Amount. For the avoidance of doubt, no Return Bids (or any component thereof) will be accepted above the Applicable Threshold Price.

Notification Procedures. The Auction Manager will calculate the Applicable Threshold Price no later than the next Business Day after the date that the Return Bids were due. The Auction Manager will insert the amount of Term Loans to be assigned and the applicable settlement date determined by the Auction Manager in consultation with the Borrower onto each applicable Auction Assignment and Acceptance received in connection with a Qualifying Bid. Upon written request of the submitting Lender, the Auction Manager will promptly return any Auction Assignment and Acceptance received in connection with a Return Bid that is not a Qualifying Bid.

Additional Procedures. Once initiated by an Auction Notice, the Borrower may withdraw a Reverse Dutch Auction by written notice to the Auction Manager no later than 24 hours before the original Expiration Time so long as no Qualifying Bids have been received by the Auction Manager at or prior to the time the Auction Manager receives such written notice from the applicable Borrower. Any Return Bid (including any component bid thereof) delivered to the Auction Manager may not be modified, revoked, terminated or cancelled; provided that a Lender may modify a Return Bid at any time prior to the Expiration Time solely to reduce the Reply Price included in such Return Bid. However, a Reverse Dutch Auction shall become void if the Borrower fails to satisfy one or more of the conditions to the purchase of Term Loans set forth in, or to otherwise comply with the provisions of Section 2.18(a) of the Credit Agreement. The purchase price for all Term Loans purchased in a Reverse Dutch Auction shall be paid in cash by the Borrower directly to the respective assigning Lender on a settlement date as determined by the Auction Manager in consultation with the Borrower (which shall be no later than ten (10) Business Days after the date Return Bids are due or such longer time as otherwise agreed by each of the Administrative Agent, the Auction Manager, the Borrower and the respective assigning Lender), along with accrued and unpaid interest (if any) on the applicable Term Loans up to the settlement date. The Borrower shall execute each applicable Auction Assignment and Acceptance received in connection with a Qualifying Bid.

All questions as to the form of documents and validity and eligibility of Term Loans that are the subject of a Reverse Dutch Auction will be determined by the Auction Manager, in consultation with the Borrower, and the Auction Manager's determination will be conclusive, absent manifest error. The Auction Manager's interpretation of the terms and conditions of the Offer Document, in consultation with the Borrower, will be final and binding.

None of the Administrative Agent, the Auction Manager, any other Agent or any of their respective Affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Borrower or any of its Affiliates contained in the Offer Documents or otherwise or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Auction Manager acting in its capacity as such under a Reverse Dutch Auction shall be entitled to the benefits of the provisions of Article 11 and Section 12.01 of the Credit Agreement to the same extent as if each reference therein to the "Administrative Agent" were a reference to the Auction Manager, each reference therein to the "Loan Documents" were a reference to the Offer Documents, the Auction Notice and Auction Assignment and Acceptance and each reference therein to the "Transactions" were a reference to the transactions contemplated hereby and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Reverse Dutch Auction.

This Schedule 2.19(a) shall not require the Borrower to initiate any Reverse Dutch Auction, nor shall any Lender be obligated to participate in any Reverse Dutch Auction.

Schedule 7.12
Real Property

- **Owned Real Property**

None.

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Schedule 7.14
Subsidiaries

Issuer	Class of Stock or other Interests	No. of Shares or Interests Issued and Outstanding	Holder	Percentage of Class of Shares or Interests
KBAU Holdings Canada, Inc.	Common Stock	1,114.757	Bauer Performance Sports Ltd.	100%
BPS US Holdings Inc.	Common Stock	3082.43	Bauer Performance Sports Ltd. Bauer Hockey Corp.	75.67% 24.33%
Bauer Hockey Inc.	Common Stock	218.093	BPS US Holdings Inc.	100%
BPS Greenland Inc.	Common Stock	100	BPS US Holdings Inc.	100%
Bauer Hockey Corp.	Common Stock	1,114.757	KBAU Holdings Canada Inc.	100%
BPS Greenland Corp.	Common Stock	1	KBAU Holdings Canada Inc.	100%
Mission Itech Hockey, Inc.	Common Stock	1,541,344	Bauer Hockey, Inc.	100%
Bauer Performance Sports Uniforms Inc.	Common Stock	100	Bauer Hockey, Inc.	100%
Bauer Performance Lacrosse Inc.	Common Stock	100	Bauer Hockey, Inc.	100%
BPS Diamond Sports Inc.	Common Stock	100	Bauer Hockey, Inc.	100%
BPS Diamond Sports Corp.	Common Stock	1	Bauer Hockey Corp.	100%
Bauer Performance Lacrosse Corp.	Common Stock	1	Bauer Hockey Corp.	100%
Bauer Performance Sports Uniforms Corp.	Common Stock	1	Bauer Hockey Corp.	100%
8848076 Canada Corp.	Common Stock	3,329,011	Bauer Hockey Corp.	100%

Issuer	Class of Stock or other Interests	No. of Shares or Interests Issued and Outstanding	Holder	Percentage of Class of Shares or Interests
Bauer Hockey AB	N/A	SEK 250,000	Bauer Hockey Corp.	100%
Bauer Hockey GmbH	N/A	25,564.59 EUR	Bauer Hockey Corp.	100%
Jacmal BV (Netherlands)	N/A	453,780.22 EUR	Bauer Hockey Corp.	100%
Bauer CR spol s.r.o. (Czech)	N/A	CZK 100,000	Jacmal BV (Netherlands)	100%
Bauer Hockey Finland	N/A	N/A	Bauer Hockey AB	100%
Bauer Hockey Norway	N/A	N/A	Bauer Hockey AB	100%
Bauer Hockey Denmark	N/A	N/A	Bauer Hockey AB	100%
[Redacted – Name of Subsidiary]	**[Redacted]**	**[Redacted]**	**[Redacted]**	**[Redacted]**

Schedule 7.18
Labor Matters

None.

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Schedule 8.12
Post-Closing Actions

1. Within 45 days after the Closing Date (or such later date that the Administrative Agent in its sole discretion may permit), the Parent shall deliver or cause to be delivered to the Administrative Agent all certificates of insurance and accompanying endorsements required to be delivered to the pursuant to Section 8.04(c) of the Credit Agreement.

2. The Administrative Agent shall be permitted a reasonable amount of time to engage any **[Redacted – Jurisdiction of Counsel]** counsel to review the collateral arrangements entered into on the Closing Date to provide or perfect a security interest in the Equity Interests of any **[Redacted – Name of Subsidiary]** and any debt obligations of **[Redacted – Name of Subsidiary]** and the parties shall negotiate in good faith any reasonably required changes to such arrangements. Any expenses or fees incurred by the Administrative Agent in connection with and pursuant to such engagement and negotiations will be reimbursed by the Credit Parties pursuant to and in accordance with Section 12.01 of this Agreement.

Schedule 9.01(iii)
Existing Liens

None.

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Schedule 9.04(vi)
Existing Indebtedness

[Redacted – Intercompany Debt].

Schedule 9.05(iii)
Existing Investments

None.

Schedule 9.05(xxvii)
Agreed Subordination Terms

SECTION 1.01. Defined Terms.

"**ABL Administrative Agent**" shall mean Bank of America, N.A, as Administrative Agent under the ABL Credit Agreement.

"**ABL Collateral Agent**" shall mean Bank of America, N.A, as Collateral Agent under the ABL Credit Agreement.

"**ABL Credit Agreement** " shall mean the ABL Credit Agreement dated as of April __, 2014, by and among the Parent, Bauer Hockey Corp., a Canadian corporation, Bauer Hockey, Inc., a Vermont corporation, the other subsidiaries of the Parent party thereto, the ABL Administrative Agent and the ABL Collateral Agent.

"**ABL Term Intercreditor Agreement** " shall mean the ABL/Term Intercreditor Agreement dated as of April __, 2014, by and among the Parent, Bauer Hockey Corp., a Canadian corporation, Bauer Hockey, Inc., a Vermont corporation, the other subsidiaries of the Parent party thereto, the ABL Administrative Agent, the ABL Collateral Agent, the Term Administrative Agent and the Term Collateral Agent.

"**Agreement**" shall mean the Agreement to which this Annex A is attached.

"**Borrower**" shall have the meaning ascribed to such term in the Agreement.

"**Collateral Agents**" shall mean the Term Collateral Agent together with the ABL Collateral Agent.

"**Credit Agreement**" shall mean the Term Credit Agreement or the ABL Credit Agreement as applicable.

"**Default**" shall have the meaning ascribed to such term in the ABL Credit Agreement or the Term Credit Agreement as applicable.

"**Event of Default**" shall have the meaning ascribed to such term in the ABL Credit Agreement or the Term Credit Agreement as applicable.

"**Lender**" shall have the meaning ascribed to such term in the Agreement.

"**Loan**" shall have the meaning ascribed to such term in the Agreement.

"**Parent**" shall mean Bauer Performance Sports Ltd., a British Columbia corporation.

"**Proceeding**" shall mean any insolvency, bankruptcy, receivership, custodianship, liquidation, reorganization, assignment for the benefit of creditors or other proceeding for the liquidation, dissolution or other winding up of any Borrower.

"**Senior Indebtedness**" shall mean (a) the "Obligations" (as such term is defined in the ABL Credit Agreement and (b) the "Obligations" (as such term is defined in the Term Credit Agreement, in each case, together with (i) any amendments, restatements, modifications, renewals or extensions of any thereof and (ii) any interest accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest is an allowed or allowable claim. The Senior Indebtedness shall be considered to be outstanding whenever any commitment to make loans, issue letter of credits or otherwise extend credit under the ABL Credit Agreement or the Term Credit Agreement.

"**Subordinated Indebtedness**" of the principal of, interest on, and all other amounts owing in respect of, the Loan.

"**Term Administrative Agent**" shall mean Bank of America, N.A, as Administrative Agent under the Term Credit Agreement.

"**Term Collateral Agent**" shall mean Bank of America, N.A, as Collateral Agent under the Term Credit Agreement.

"**Term Credit Agreement** " shall mean the Term Loan Credit Agreement dated as of April __, 2014, by and among Parent, the lenders from time to time party thereto, the Term Administrative Agent and the Term Collateral Agent.

SECTION 1.02. Subordination of Liabilities. Each Borrower, for itself, and its successors and assigns, covenants and agrees, and each Lender under the Agreement by its acceptance thereof likewise covenants and agrees, that the payment of the Subordinated Indebtedness is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, to the prior payment in full in cash of all Senior Indebtedness. The provisions of this Annex A shall constitute a continuing offer to all persons who, in reliance upon such provisions, become holders of, or continue to hold, Senior Indebtedness, and such provisions are made for the benefit of the holders of Senior Indebtedness, and such holders are hereby made obligees hereunder the same as if their names were written herein as such, and they and/or each of them may proceed to enforce such provisions.

SECTION 1.03. Borrowers Not to Make Payments with Respect to Subordinated Indebtedness in Certain Circumstances . (a) Upon receipt, by the Parent on behalf of each Borrower, of notice (delivered in accordance with the Credit Agreements) of the maturity of any Senior Indebtedness (including interest thereon, premium, if any, or fees or any amounts owing in respect thereof), whether at stated maturity, by acceleration or otherwise, all Obligations owing in respect thereof shall be paid in full in cash, before any payment (whether in cash, property, securities or otherwise) is made on account of the Subordinated Indebtedness.

(b) No Borrower may, directly or indirectly, make any payment of any Subordinated Indebtedness or acquire any Subordinated Indebtedness for cash or property until all Senior Indebtedness has been paid in full in cash following receipt, by the Parent on behalf of such Borrower, of notice (delivered in accordance with the Credit Agreements) that any Default or Event of Default under the ABL Credit Agreement or the Term Credit Agreement is then

in existence or would result therefrom. Each Lender hereby agrees that, following receipt, by the Parent on behalf of such Lender, of notice (delivered in accordance with the Credit Agreements) of the existence of any such Default or Event of Default, and for so long as any such Default or Event of Default exists, it will not ask, demand, sue for, or otherwise take, accept or receive, any amounts owing in respect of the Loan.

(c) In the event that, notwithstanding the provisions of the preceding subsections (a) and (b) of this Section 1.02, any Borrower shall make any payment on account of (or any Lender receives any payment on account of) the Subordinated Indebtedness at a time when payment is not permitted by said subsection (a) or (b), such payment shall be held by such Lender, in trust for the benefit of, and shall be paid forthwith over and delivered to, the Collateral Agents, for application, subject to the ABL/Term Intercreditor Agreement, to the payment of the Obligations remaining unpaid to the extent necessary to pay all such Obligations in full in cash in accordance with the terms of the Credit Agreement or other agreement governing such Obligations.

SECTION 1.04. Subordination to Prior Payment of All Senior Indebtedness, Dissolution, Liquidation or Reorganization of Borrowers. Upon any distribution of assets of any Borrower upon dissolution, winding up, liquidation or reorganization of such Borrower (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise):

(a) the holders of all Senior Indebtedness shall first be entitled to receive payment in full in cash of all Senior Indebtedness (including, without limitation, post-petition interest at the rate provided in the documentation with respect to the Senior Indebtedness whether or not such post-petition interest is an allowed claim against the debtor in any bankruptcy or similar proceeding) before any Lender is entitled to receive any payment of any kind or character on account of the Subordinated Indebtedness;

(b) any payment or distributions of assets of such Borrower of any kind or character, whether in cash, property or securities, to which the Lender would be entitled except for the provisions of this Annex A, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, first, subject to the ABL/Term Intercreditor Agreement, directly to the Collateral Agents to the extent necessary to pay all Obligations remaining unpaid in full in cash in accordance with the terms of the Credit Agreement or other agreement governing such Obligations; and

(c) in the event that, notwithstanding the foregoing provisions of this Section 1.03, any payment or distribution of assets of such Borrower of any kind or character, whether they be cash, property or securities, shall be received by the Lender on account of Subordinated Indebtedness before all Senior Indebtedness is paid in full in cash, such payment shall be held by such Lender, in trust for the benefit of, and shall be paid forthwith over and delivered to, the Collateral Agents, for application, subject to the ABL/Term Intercreditor Agreement, to the payment of the Obligations remaining unpaid to the extent necessary to pay all such Obligations in full in cash in accordance with the terms of the

Credit Agreement or other agreement governing such Obligations.

Without in any way modifying the provisions of this Annex A or affecting the subordination effected hereby, if the hereafter referenced notice is not given, each Borrower shall give prompt written notice to the Lender of any dissolution, winding up, liquidation or reorganization of such Borrower (whether in bankruptcy, insolvency or receivership proceedings or upon assignment for the benefit of creditors or otherwise).

SECTION 1.05. Subrogation. Subject to the prior payment in full in cash of all Senior Indebtedness, each Lender shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Issuers applicable to the Senior Indebtedness until all amounts owing under the Agreement shall be paid in full, and for the purpose of such subrogation no payments or distributions to the holders of the Senior Indebtedness by or on behalf of any Borrower or by or on behalf of any Lender by virtue of this Annex A that otherwise would have been made to a Lender shall, as between such Borrower, its creditors other than the holders of Senior Indebtedness, and such Lender, be deemed to be payment by such Borrower to or on account of the Senior Indebtedness, it being understood that the provisions of this Annex A are and are intended solely for the purpose of defining the relative rights of the Lenders, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

SECTION 1.06. Obligation of the Issuers Unconditional. Nothing contained in this Annex A or in the Agreement is intended to or shall impair, as between the Borrowers and the Lenders, the obligation of each Borrower, which is absolute and unconditional, to pay to the Lenders the principal of and interest on the Loan as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Lenders and other creditors of the Borrowers other than the Senior Indebtedness, nor, except as specifically provided herein, shall anything herein or therein prevent the Lenders from exercising all remedies otherwise permitted by applicable law upon an event of default under the Agreement, subject to the rights, if any, under this Annex A of the holders of Senior Indebtedness in respect of cash, property, or securities of the Borrowers received upon the exercise of any such remedy. Upon any distribution of assets of an Borrower, each Lender shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Lenders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Borrower, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Annex A.

SECTION 1.07. Subordination Rights Not Impaired by Acts or Omissions of the Issuers or Holders of Senior Indebtedness. No right of any present or future holders of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of an Issuer or by any act or failure to act in good faith by any such holder, or by any noncompliance by a Borrower with the terms and provisions of the Agreement, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

SECTION 1.08. Governing Law; Jurisdiction; Consent to Service of Process .

(a) THESE AGREED SUBORDINATION TERMS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION). ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THESE AGREED SUBORDINATION TERMS (EXCEPT THAT, IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY (AS DEFINED IN THE CREDIT AGREEMENT), ACTIONS OR PROCEEDINGS RELATED TO THESE AGREED SUBORDINATION TERMS SHALL BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THESE AGREED SUBORDINATION TERMS, EACH OF THE PARTIES HERETO IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THESE AGREED SUBORDINATION TERMS BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION

WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THESE AGREED SUBORDINATION TERMS BROUGHT IN THE COURTS REFERRED TO IN SECTION 1.08(a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THESE AGREED SUBORDINATION TERMS (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

SECTION 1.08. Miscellaneous. If, at any time, all or part of any payment with respect to Senior Indebtedness theretofore by a Borrower or any other person is rescinded or must otherwise be returned by the holder of Senior Indebtedness for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower or such other persons), the subordination provisions set forth herein shall continue to be effective and be reinstated, as the case may be, all as though such payment had not been made.

Schedule 9.06(vii)
Affiliate Transactions

None.

EXHIBIT A-1

FORM OF NOTICE OF BORROWING

[Date]

Bank of America, N.A., as Administrative Agent
(the "**Administrative Agent**") for the Lenders party
to the Term Loan Credit Agreement referred to below
Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ramon Gomez, Jr.
Email: ramon.gomez_jr@baml.com

Ladies and Gentlemen:

The undersigned, Bauer Performance Sports Ltd., a Canadian corporation, refers to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Term Loan Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent, hereby gives you irrevocable notice pursuant to Section 2.03 of the Term Loan Credit Agreement that the undersigned hereby requests a Borrowing under the Term Loan Credit Agreement and sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.03 of the Term Loan Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, _____.

(ii) The aggregate principal amount of the Proposed Borrowing is US$_____].

(iii) The Term Loans to be made pursuant to the Proposed Borrowing shall consist of [Initial Term Loans] [Incremental Term Loans].

(iv) The Term Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Base Rate Term Loans] [LIBO Rate Term Loans].

(v) [The initial Interest Period for the Proposed Borrowing is [one month] [two months] [three months] [six months] [twelve months]].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Term Loan Credit Agreement and the other Credit Documents are and will be true and correct in all material respects (in each case, any representation or warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on such date), before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date; and

(B) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,

BAUER PERFORMANCE SPORTS LTD.

By: _____

Name:

Title:

EXHIBIT A-2

FORM OF NOTICE OF CONVERSION/CONTINUATION

[Date]

Bank of America, N.A., as Administrative Agent
(the "**Administrative Agent**") for the Lenders party
to the Term Loan Credit Agreement referred to below
Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ramon Gomez, Jr.
Email: ramon.gomez_jr@baml.com

Ladies and Gentlemen:

The undersigned, Bauer Performance Sports Ltd., a Canadian corporation, refers to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Term Loan Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent, hereby gives you irrevocable notice that the undersigned hereby requests to [convert][continue] the Borrowing of Term Loans referred to below and sets forth below the information relating to such [conversion][continuation] (the "**Proposed [Conversion][Continuation]**") as required by Section 2.06 of the Credit Agreement:

(i) The Proposed [Conversion][Continuation] relates to the Borrowing of Term Loans originally made on _____ __, 201_ (the "**Outstanding Borrowing**") in the principal amount of [$_____ and currently maintained as a Borrowing of [Base Rate Term Loans][LIBO Rate Term Loans with an Interest Period ending on_____ ___, 201_].

(ii) The Business Day of the Proposed [Conversion][Continuation] is _____.

(iii) The Outstanding Borrowing shall be [continued as a Borrowing of [Base Rate Term Loans] [LIBO Rate Term Loans with an Interest Period ending on_____ ___,_____]][converted into a Borrowing of [Base Rate Term Loans] [LIBO Rate Term Loans with an Interest Period ending on_____ ___, _____]].

[The undersigned hereby certifies that no Event of Default is in existence on the date of the Proposed Conversion.]

Very truly yours,

BAUER PERFORMANCE SPORTS LTD.

By: _____

Name:

Title:

EXHIBIT B-1

FORM OF INITIAL TERM NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, BAUER PERFORMANCE SPORTS LTD., a Canadian corporation (the " **Borrower**"), hereby promises to pay to [_____] (the "Lender"), in lawful money of the United States of America in immediately available funds, at the Payment Office (as defined in the Term Loan Credit Agreement referred to below) on or before the Maturity Date (as defined in the Term Loan Credit Agreement) the principal sum of _____ DOLLARS ($_____) or, if less, the unpaid principal amount of all Initial Term Loans (as defined in the Term Loan Credit Agreement) made by the Lender pursuant to the Term Loan Credit Agreement, payable at such times and in such amounts as are specified in the Term Loan Credit Agreement.

The Borrower promises also to pay interest on the unpaid principal amount of each Initial Term Loan made by the Lender in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.08 of the Term Loan Credit Agreement.

This Note is one of the Initial Term Notes referred to in the Term Loan Credit Agreement, dated as of April 15, 2014, among the Borrower, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Term Loan Credit Agreement**") and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Term Loan Credit Agreement). This Note is secured by the Security Documents (as defined in the Term Loan Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Term Loan Credit Agreement). As provided in the Term Loan Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, and Initial Term Loans may be converted from one Type (as defined in the Term Loan Credit Agreement) into another Type to the extent provided in the Term Loan Credit Agreement. This Note may only be transferred to the extent and in the manner set forth in the Term Loan Credit Agreement.

In case an Event of Default (as defined in the Term Loan Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Term Loan Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

[Continued on following page]

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

BAUER PERFORMANCE SPORTS LTD.

By: _____

Name:

Title:

EXHIBIT B-2

FORM OF INCREMENTAL TERM NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, BAUER PERFORMANCE SPORTS LTD., a Canadian corporation (the " **Borrower**"), hereby promise to pay to [_____] (the "Lender"), in lawful money of the United States of America in immediately available funds, at the Payment Office (as defined in the Term Loan Credit Agreement referred to below) on or before the Initial Incremental Term Loan Maturity Date (as defined in the Term Loan Credit Agreement) the principal sum of _____ DOLLARS ($_____) or, if less, the unpaid principal amount of all Incremental Term Loans (as defined in the Term Loan Credit Agreement) made by the Lender pursuant to the Term Loan Credit Agreement, payable at such times and in such amounts as are specified in the Term Loan Credit Agreement.

The Borrower promises also to pay interest on the unpaid principal amount of each Incremental Term Loan made by the Lender in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.08 of the Term Loan Credit Agreement.

This Note is one of the Incremental Term Notes referred to in the Term Loan Credit Agreement, dated as of April 15, 2014, among the Borrower, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Term Loan Credit Agreement** ") and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Term Loan Credit Agreement). This Note is secured by the Security Documents (as defined in the Term Loan Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Term Loan Credit Agreement). As provided in the Term Loan Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Initial Incremental Term Loan Maturity Date, in whole or in part, and Incremental Term Loans may be converted from one Type (as defined in the Term Loan Credit Agreement) into another Type to the extent provided in the Term Loan Credit Agreement. This Note may only be transferred to the extent and in the manner set forth in the Term Loan Credit Agreement.

In case an Event of Default (as defined in the Term Loan Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Term Loan Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

[Continued on following page]

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

BAUER PERFORMANCE SPORTS LTD.

By: _____

Name:

Title:

EXHIBIT C-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Term Loan Credit Agreement** ," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., (the "**Borrower**"), various Lenders and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.04(c) of the Term Loan Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Term Loan(s) (as well as any Note(s) evidencing such Term Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Term Loan Credit Agreement and used herein shall have the meanings given to them in the Term Loan Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT C-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Term Loan Credit Agreement** ," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., (the "**Borrower**"), various Lenders and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.04(c) of the Term Loan Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Term Loan Credit Agreement and used herein shall have the meanings given to them in the Term Loan Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT B-3

EXHIBIT C-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Term Loan Credit Agreement** ," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., (the "**Borrower**"), various Lenders and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.04(c) of the Term Loan Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Term Loan Credit Agreement and used herein shall have the meanings given to them in the Term Loan Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT C-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Term Loan Credit Agreement** ," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., (the "**Borrower**"), various Lenders and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.04(c) of the Term Loan Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Term Loan(s) (as well as any Note(s) evidencing such Term Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Term Loan(s) (as well as any Note(s) evidencing such Term Loan(s)), (iii) with respect to the extension of credit pursuant to this Term Loan Credit Agreement or any other Credit Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Term Loan Credit Agreement and used herein shall have the meanings given to them in the Term Loan Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT E

FORM OF CERTIFICATE OF OFFICER

[_____] (the "Company")

TO: Bank of America, N.A., as ABL Agent and Term Agent (as defined below)

AND TO: Each of the other Lenders (as defined in the Credit Agreements, as defined below)

RE: Credit agreement (the "ABL Credit Agreement") dated April 15, 2014 among, *inter alia,* Bauer Performance Sports Ltd., as parent, Bauer Hockey Corp., as lead Canadian borrower, Bauer Hockey, Inc., as lead U.S. borrower, each of the other borrowers from time to time party thereto, each of the guarantors from time to time party thereto, Bank of America, N.A., as administrative agent and collateral agent (the "ABL Agent") and each lender from time to time party thereto.

AND RE: Term loan credit agreement (the "Term Credit Agreement", and together with the ABL Credit Agreement, the "Credit Agreements") dated April 15, 2014 among, *inter alia,* the Company, as borrower, Bank of America, N.A., as administrative agent and collateral agent (the "Term Agent") and each lender from time to time party thereto.

Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the ABL Credit Agreement or Term Credit Agreement, as applicable.

I, [___], am the [____]of the Company. As [___], I certify for and on behalf of the Company and without personal liability, that**:**

1. Attached as Exhibit "A" is a true and complete copy of the [notice of articles][articles of incorporation][certificate of formation] of the Company, including all amendments thereto, which, as so amended, is in full force and effect on the date hereof.

2. Attached hereto as Exhibit "B" is a true and complete copy of the [by-laws][limited liability company agreement] of the Company, with all amendments thereto, which, as so amended, is in full force and effect as of the date hereof and at all times since a date prior to the date of the resolutions described in clause (4) below.

3. Attached hereto as Exhibit "C" is a certificate of [existence][good standing] of the Company certified as of a recent date by the Secretary of State (or other similar official) of the Company's jurisdiction of organization. The Company has, from the date of such certificate, remained in good standing under the laws of such jurisdiction of organization.

---

4. Attached as Exhibit "D" are true and complete copies of certain resolutions of the directors of the Company authorizing, *inter alia*, the execution, delivery and performance by the Company of the Credit Agreements and the other Credit Documents to which the Company is a party and such resolutions are in full force and effect and have not been amended.

5. Attached as Exhibit "E" is a list of certain of the officers and directors of the Company and set forth opposite each person's name is the position he or she occupies with the Company and**,** for those persons signing Credit Documents, a true specimen of his or her signature.

6. There is no pending proceeding for the dissolution or liquidation of the Company or, to my knowledge, threatening the existence of the Company.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the undersigned has hereunto set his name as of the date first set forth above.

_____

Name: [___]
Title: [___]

IN WITNESS WHEREOF, the undersigned, the [___]of the Company, hereby certifies that the person named above is the duly elected and qualified [___]of the Company and that the signature above is such [___]'s true and genuine signature.

_____

Name: [___]
Title: [___]

EXHIBIT F-1

FORM OF U.S. PLEDGE AGREEMENT

[See Attached.]

EXECUTION VERSION

TERM LOAN U.S. PLEDGE AGREEMENT

among

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY, INC.,

BPS US HOLDINGS INC.,

BPS GREENLAND INC.,

CERTAIN OTHER SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.

and

BANK OF AMERICA, N.A.,

as

COLLATERAL AGENT

Dated as of April 15, 2014

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TERM LOAN U.S. PLEDGE AGREEMENT

TERM LOAN U.S. PLEDGE AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "**Agreement**"), dated as of April 15, 2014, among each of the undersigned pledgors (each, a " **Pledgor**" and, together with any other entity that becomes a pledgor hereunder pursuant to Section 29 hereof, the "**Pledgors**") and Bank of America, N.A., as collateral agent (together with any successor collateral agent, the "**Pledgee**"), for the benefit of the Secured Creditors (as defined below).

W I T N E S S E T H:

WHEREAS, Bauer Performance Sports Ltd. (the "**Borrower**"), the lenders party thereto from time to time (the " **Lenders**"), Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**"), have entered into a Term Loan Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**Credit Agreement**"), providing for the making of Term Loans to the Borrower as contemplated therein (the Lenders, the Collateral Agent, the Administrative Agent and each other agent named therein are herein called the "**Secured Creditors**");

WHEREAS, pursuant to the Term Loan Guaranty dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**Term Loan Guaranty**"), each Subsidiary Guarantor (as defined in the Credit Agreement) has jointly and severally guaranteed to the Secured Creditors the payment when due of all Secured Obligations;

WHEREAS, it is a condition precedent to the making of Term Loans to the Borrower under the Credit Agreement that each Pledgor shall have executed and delivered to the Pledgee this Agreement; and

WHEREAS, each Pledgor will obtain benefits from the incurrence of Term Loans by the Borrower under the Credit Agreement and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Term Loans to the Borrower;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Pledgee for the benefit of the Secured Creditors and hereby covenants and agrees with the Pledgee for the benefit of the Secured Creditors as follows:

Section 1. *Security for Obligations.*

This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure such Pledgor's Secured Obligations:

Section 2. *Definitions.*

(a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"**Administrative Agent**" shall have the meaning set forth in the recitals hereto.

"**Adverse Claim**" shall have the meaning given such term in Section 8-102(a)(1) of the UCC.

"**Agreement**" shall have the meaning set forth in the first paragraph hereof.

"**Borrower**" shall have the meaning set forth in the recitals hereto.

"**Certificated Security**" shall have the meaning given such term in Section 8102(a)(4) of the UCC.

"**Clearing Corporation**" shall have the meaning given such term in Section 8-102(a)(5) of the UCC.

"**Collateral**" shall have the meaning set forth in Section 3(a) hereof.

"**Collateral Accounts**" shall mean any and all accounts established and maintained by the Pledgee in the name of any Pledgor to which Collateral may be credited.

"**Credit Agreement**" shall have the meaning set forth in the recitals hereto.

"**Domestic Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Event of Default**" shall mean (a) at any time prior to the time at which all Commitments have been terminated and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (b) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"**Excluded Collateral**" shall have the meaning given such term in the U.S. Security Agreement.

"**Financial Asset**" shall have the meaning given such term in Section 8-102(a)(9) of the UCC.

"**Foreign Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Guaranteed Obligations**" shall have the meaning given such term in the Term Loan Guaranty.

"**Indemnitees**" shall have the meaning set forth in Section 11 hereof.

"**Instrument**" shall have the meaning given such term in Section 9-102(a)(47) of the UCC.

"**Investment Property**" shall have the meaning given such term in Section 9-102(a)(49) of the UCC.

"**Secured Creditors**" shall have the meaning set forth in the recitals hereto.

"**Lenders**" shall have the meaning set forth in the recitals hereto.

"**Limited Liability Company Assets**" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all limited liability company capital and interest in other limited liability companies), at any time owned by any Pledgor or represented by any Limited Liability Company Interest.

"**Limited Liability Company Interests**" shall mean the entire limited liability company membership interest at any time owned by any Pledgor in any limited liability company.

"**Location**" of any Pledgor has the meaning given such term in Section 9-307 of the UCC.

"**Non-Voting Equity Interests**" shall mean all Equity Interests of any Person which are not Voting Equity Interests.

"**Notes**" shall mean (a) all intercompany notes at any time issued to each Pledgor and (b) all other promissory notes from time to time issued to, or held by, each Pledgor.

"**Other Creditors**" shall have the meaning set forth in the recitals hereto.

"**Partnership Assets**" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned by any Pledgor or represented by any Partnership Interest.

"**Partnership Interest**" shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership.

"**Pledged Notes**" shall mean all Notes at any time pledged or required to be pledged hereunder.

"**Pledgee**" shall have the meaning set forth in the first paragraph hereof.

"**Pledgor**" shall have the meaning set forth in the first paragraph hereof.

"**Proceeds**" shall have the meaning given such term in Section 9-102(a)(64) of the UCC.

"**Registered Organization**" shall have the meaning given such term in Section 9-102(a)(70) of the UCC.

"**Required Secured Creditors**" shall have the meaning provided in the U.S. Security Agreement.

"**Secured Creditors**" shall have the meaning set forth in the recitals hereto.

"**Secured Obligations**" shall mean, with respect to each Pledgor, the Guaranteed Obligations of such Pledgor.

"**Securities Account**" shall have the meaning given such term in Section 8-501(a) of the UCC.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, as in effect from time to time.

"**Securities Intermediary**" shall have the meaning given such term in Section 8-102(a)(14) of the UCC.

"**Security**" and "**Securities**" shall have the meaning given such term in Section 8-102(a)(15) of the UCC and shall in any event also include all Stock and all Notes.

"**Security Entitlement**" shall have the meaning given such term in Section 8-102(a)(17) of the UCC.

"**Stock**" shall mean (a) with respect to any corporation, company or other body corporate incorporated under the laws of (i) the United States, any State thereof or the District of Columbia or (ii) Canada or any Province or Territory thereof (each, a "**Domestic Corporation**"), all of the issued and outstanding shares of capital stock of such Domestic Corporation at any time owned by any Pledgor and (b) with respect to any corporation, company or other body corporate not a Domestic Corporation (each, a "**Foreign Corporation**"), all of the issued and outstanding shares of capital stock of such Foreign Corporation at any time owned by any Pledgor.

"**Term Loan Guaranty**" shall have the meaning set forth in the recitals hereto.

"**Termination Date**" shall have the meaning set forth in Section 20 hereof.

"**UCC**" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time; *provided* that all references herein to specific Sections or subsections of the UCC are references to such Sections or subsections, as the case may be, of the Uniform Commercial Code as in effect in the State of New York on the date hereof.

"**Uncertificated Security**" shall have the meaning given such term in Section 8-102(a)(18) of the UCC.

"**Voting Equity Interests**" shall have the meaning provided in the U.S. Security Agreement.

Section 3. *Pledge of Securities, Etc.*

(a) *Pledge.* To secure the Secured Obligations now or hereafter owed or to be performed by such Pledgor (but subject to clause (x) of the proviso at the end of this Section 3(a) in the case of the Voting Equity Interests of Foreign Subsidiaries and FSHCOs pledged hereunder), each Pledgor does hereby grant, pledge and assign to the Pledgee for the benefit of the Secured Creditors, and does hereby create a continuing security interest (subject to those Liens permitted to exist with respect to the Collateral pursuant to the terms of all Credit Documents then in effect) in favor of the Pledgee for the benefit of the Secured Creditors in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "**Collateral**"):

(i) each of the Collateral Accounts (to the extent a security interest therein is not created pursuant to the Security Agreement), including any and all assets of whatever type or kind deposited by such Pledgor in any such Collateral Account, whether now owned or hereafter acquired, existing or arising, including, without limitation, all Financial Assets, Investment Property, monies, checks, drafts, Instruments, Securities or interests therein of any type or nature deposited or required by the Credit Agreement or any other Credit Document to be deposited in such Collateral Account, and all investments and all certificates and other Instruments (including depository receipts, if any) from time to time representing or evidencing the same, and all dividends, interest, distributions, cash and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

(ii) all Securities owned or held by such Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Securities;

(iii) all Limited Liability Company Interests owned by such Pledgor from time to time and all of its right, title and interest in each limited liability company to which each such Limited Liability Company Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Limited Liability Company Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Limited Liability Company Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Limited Liability Company Interests;

(B) all other payments due or to become due to such Pledgor in respect of Limited Liability Company Interests, whether under any limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any limited liability company agreement

or operating agreement, or at law or otherwise in respect of such Limited Liability Company Interests;

(D) all present and future claims, if any, of such Pledgor against any such limited liability company for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Limited Liability Company Interests, including any power to terminate, cancel or modify any such limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Limited Liability Company Interests and any such limited liability company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Limited Liability Company Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(iv) all Partnership Interests owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such Partnership Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests, including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(v) all Financial Assets and Investment Property owned by such Pledgor from time to time;

(vi) all Security Entitlements owned by such Pledgor from time to time in any and all of the foregoing; and

(vii) all Proceeds of any and all of the foregoing;

provided that notwithstanding anything to the contrary in this clause (a), the term "Collateral" and the pledge hereunder shall not include any Excluded Collateral.

(b) Procedures.

(i) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by such Pledgor) be pledged pursuant to Section 3(a) hereof and, in addition thereto, subject to the ABL/Term Intercreditor Agreement, such Pledgor shall (to the extent provided below) take the following actions as set forth below (as promptly as practicable) for the benefit of the Pledgee and the other Secured Creditors:

(A) with respect to a Certificated Security (other than a Certificated Security credited on the books of a Clearing Corporation or Securities Intermediary), such Pledgor shall physically deliver such Certificated Security to the Pledgee,

endorsed to the Pledgee or endorsed in blank to the extent the interests represented by such Certificated Security are required to be pledged hereunder;

(B) with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing Corporation or Securities Intermediary), and at any time any Event of Default under the Credit Agreement has occurred and is continuing, such Pledgor shall cause the issuer of such Uncertificated Security, promptly, upon the request of the Collateral Agent, to duly authorize, execute, and deliver to the Pledgee, an agreement for the benefit of the Pledgee and the other Secured Creditors substantially in the form of Annex F hereto (appropriately completed to the reasonable satisfaction of the Pledgee and with such modifications, if any, as shall be reasonably satisfactory to the Pledgee) pursuant to which such issuer agrees to comply with any and all instructions originated by the Pledgee without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security (and any Partnership Interests and Limited Liability Company Interests issued by such issuer) originated by any other Person other than a court of competent jurisdiction;

(C) with respect to a Partnership Interest or a Limited Liability Company Interest (other than a Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), (1) if such Partnership Interest or Limited Liability Company Interest is represented by a certificate and is a Security for purposes of the UCC, the procedure set forth in Section 3(b)(i)(A) hereof, and (2) if such Partnership Interest or Limited Liability Company Interest is not represented by a certificate or is not a Security for purposes of the UCC, the procedure set forth in Section 3(b)(i)(B);

(D) with respect to any Note (other than a Note which does not have a principal amount in excess of $100,000), such Pledgor shall physically deliver such Note to the Pledgee, endorsed in blank, or, at the request of the Pledgee, endorsed to the Pledgee; and

(E) with respect to cash proceeds from any of the Collateral described in Section 3(a) hereof, such Pledgor shall deposit of such cash in the Dominion Account or any other Deposit Account that is subject to a Deposit Account Control Agreement;

provided that, notwithstanding anything to the contrary contained in this Section 3(b)(i), a Pledgor shall not be required to take the actions set forth in this Section with respect to any Certificated Security, Uncertificated Security, Partnership Interest or Limited Liability Company Interest of a Person that is not a Subsidiary of such Pledgor to the extent the aggregate fair market value of all such Collateral does not exceed $100,000.

(ii) In addition to the actions required to be taken pursuant to Section 3(b)(i) hereof, each Pledgor shall take the following additional actions with respect to the Collateral:

(A) with respect to all Collateral of such Pledgor described in Sections 3

(b)(i)(A) to (D) hereof, whereby or with respect to which the Pledgee may obtain "control" thereof within the meaning of Section 8-106 of the UCC (or under any provision of the UCC as same may be amended or supplemented from time to time, or under the laws of any relevant State other than the State of New York), such Pledgor shall take all actions as may be reasonably requested from time to time by the Pledgee so that "control" of such Collateral is obtained and at all times held by the Pledgee (including, without limitation, the delivery of Certificated Securities, accompanied by executed instruments of transfer endorsed in blank, or, at the request of the Pledgee, endorsed to the Pledgee); and

(B) each Pledgor shall from time to time cause appropriate financing statements (on appropriate forms) under the Uniform Commercial Code, covering all Collateral hereunder (with the form of such financing statements to be reasonably satisfactory to the Pledgee), to be filed in the relevant filing offices, so that at all times the Pledgee's security interest in the Investment Property and other Collateral which can be perfected by the filing of such financing statements (in each case to the maximum extent perfection by filing may be obtained under the laws of the relevant States, including, without limitation, Section 9-312(a) of the UCC) is so perfected.

(c) *Subsequently Acquired Collateral.* If any Pledgor shall acquire (by purchase, stock dividend, distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, (i) such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3(a) hereof and, furthermore, such Pledgor will thereafter take (or cause to be taken) all action (as promptly as practicable) with respect to such Collateral in accordance with the procedures set forth in Section 3(b) hereof. Without limiting the foregoing, each Pledgor shall be required to pledge hereunder the Equity Interests of any FSHCO or Foreign Subsidiary at any time and from time to time after the date hereof acquired by such Pledgor, *provided* that any such pledge of Voting Equity Interests of any FSHCO or Foreign Subsidiary shall be subject to the proviso to Section 3(a) hereof.

(d) *Transfer Taxes.* Each pledge of Collateral under Section 3(a) or Section 3(c) hereof shall be accompanied by any transfer tax stamps required in connection with the pledge of such Collateral.

(e) *Certain Representations and Warranties Regarding the Collateral.* Each Pledgor represents and warrants that on the date hereof (i) each Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex A hereto; (ii) the Stock (and any warrants or options to purchase Stock) held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) of the corporations as described in Annex B hereto; (iii) such Stock referenced in clause (ii) of this paragraph constitutes that percentage of the issued and outstanding capital stock of the issuing corporation (or other applicable issuer) as is set forth in Annex B hereto; (iv) the Notes held by such Pledgor consist of the intercompany notes and the promissory notes described in Annex C hereto where such Pledgor is listed as the lender; (v) the Limited Liability Company Interests held by such Pledgor consist of the number and type of interests of the Persons

described in Annex D hereto; (vi) each such Limited Liability Company Interest referenced in clause (v) of this paragraph constitutes that percentage of the issued and outstanding equity interest of the issuing Person as set forth in Annex D hereto; (vii) the Partnership Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex E hereto; (viii) each such Partnership Interest referenced in clause (ix) of this paragraph constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex E hereto; (ix) the Pledgor has complied with the respective procedure set forth in Section 3(b)(i) hereof with respect to each item of Collateral described in Annexes B through E hereto; and (x) on the date hereof, such Pledgor owns no other Securities, Stock, Notes, Limited Liability Company Interests or Partnership Interests which are required to be pledged under Section 3(a) hereof.

Section 4. *Appointment of Sub-Agents; Endorsements, Etc.*

The Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of the Collateral, which may be held (in the reasonable discretion of the Pledgee) in the name of the relevant Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee.

Section 5. *Voting, Etc., While No Event of Default.*

For greater certainty, unless and until there shall have occurred and be continuing any Event of Default under the Credit Agreement, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof. All such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease at any time after the occurrence and during the continuance of an Event of Default and, except in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, upon prior written notice from the Pledgee of its intent to exercise its rights under this Agreement, and Section 7 hereof shall become applicable.

Section 6. *Dividends and Other Distributions.*

For greater certainty, except as permitted under the Credit Agreement, unless and until there shall have occurred and be continuing an Event of Default and, other than in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, the Pledgee shall have given prior written notice of its intent to exercise such rights to the Pledgor, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the respective Pledgor, *provided*, that all cash dividends payable in respect of the Collateral which are reasonably determined by the Pledgee to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital shall be paid, to the extent so determined to represent an extraordinary, liquidating or other distribution in return of capital, to the Pledgee and retained by it as part of the Collateral. While this Agreement is in effect, the Pledgee shall be entitled to receive directly, and to retain as part of the Collateral:

(a) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above) paid or distributed by way of dividend or otherwise in

respect of the Collateral;

(b) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash (although such cash may be paid directly to the respective Pledgor so long as no Event of Default then exists)) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and

(c) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash) which may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Pledgee's right to receive the proceeds of the Collateral in any form in accordance with Section 3 hereof.

All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this Section 6 or Section 7 hereof shall be received in trust for the benefit of the Pledgee, shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

Section 7. *Remedies in Case of an Event of Default.* (a) If there shall have occurred and be continuing an Event of Default, then and in every such case, subject to the terms of the ABL/Term Intercreditor Agreement, the Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Credit Document or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Pledgee shall be entitled to exercise all the rights and remedies of a secured party under the UCC as in effect in any relevant jurisdiction and also shall be entitled, without limitation, to exercise the following rights, with each Pledgor hereby agreeing that the rights set forth in clauses (i), (ii), (iii), (iv) and (vi) below are commercially reasonable:

(i) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the respective Pledgor;

(ii) to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;

(iii) to accelerate any Pledged Note which may be accelerated in accordance with its terms, and take any other lawful action to collect upon any Pledged Note (including, without limitation, to make any demand for payment thereon);

(iv) to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably

constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);

(v) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and at such time or times, at such place or places and on such terms as the Pledgee may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable, *provided* at least 10 days' written notice of the time and place of any such sale shall be given to the respective Pledgor. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security or the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Pledgee nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(vi) to set off any and all Collateral against any and all Secured Obligations, and to withdraw any and all cash or other Collateral from any and all Collateral Accounts and to apply such cash and other Collateral to the payment of any and all Secured Obligations.

(b) It is understood and agreed that in respect of Collateral consisting of Uncertificated Securities, Partnership Interests and Limited Liability Company Interests subject of an agreement substantially in the form of Annex F and as described in Section 3(b)(i)(B), unless an Event of Default has occurred and is continuing, the Pledgee shall not deliver to the issuer of such Uncertificated Securities, Partnership Interests or Limited Liability Company Interests, as the case may be, a notice stating that the Pledgee is exercising exclusive control of such Uncertificated Securities, Partnership Interests or Limited Liability Company Interests, as the case may be, under, and as described in such respective agreement.

Section 8. *Remedies, Cumulative, Etc.*

Each and every right, power and remedy of the Pledgee provided for in this Agreement or in any other Credit Document, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and, subject to Section 12(c) hereof, shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Credit Document or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured

Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Pledgee, in each case, acting upon the instructions of the Required Secured Creditors, and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee for the benefit of the Secured Creditors upon the terms of this Agreement and the Security Agreement.

Section 9. *Application of Proceeds.*

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all monies collected by the Pledgee upon any sale or other disposition of the Collateral as a result of the exercise of any remedies by the Pledgee after the occurrence and during the continuance of an Event of Default pursuant to the terms of this Agreement, together with all other monies received by the Pledgee hereunder, shall be applied in the manner provided in the Credit Agreement.

(b) It is understood and agreed that each Pledgor shall remain jointly and severally liable with respect to the Secured Obligations to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of the Secured Obligations.

Section 10. *Purchasers of Collateral.*

Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making such sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

Section 11. *Indemnity and Payment of Expenses.*

The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

Section 12. *Pledgee Not A Partner or Limited Liability Company.*

(a) Nothing herein shall be construed to make the Pledgee or any other Secured Creditor liable as a member of any limited liability company or as a partner of any partnership and neither the Pledgee nor any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or as a partner in any partnership. The parties hereto

expressly agree that, unless the Pledgee shall become the absolute owner of Collateral consisting of a Limited Liability Company Interest or a Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Pledgee, any other Secured Creditor, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 12, the Pledgee, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 12.

(c) The Pledgee and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

Section 13. *Further Assurances; Power-of-Attorney.*

(a) Each Pledgor agrees that it will join with the Pledgee in executing and, at such Pledgor's own expense, file and refile under the UCC or other applicable law such financing statements, continuation statements and other documents, in form reasonably acceptable to the Pledgee, in such offices as the Pledgee (acting on its own or on the instructions of the Required Secured Creditors) may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Pledgee's security interest in the Collateral hereunder and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral (including, without limitation, financing statements which list the Collateral specifically and/or as "all assets whether now owned or hereafter acquired" without the signature of such Pledgor where permitted by law), and agrees to do such further acts and things and to execute and deliver to the Pledgee such additional conveyances, assignments, agreements and instruments as the Pledgee may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder or thereunder.

(b) Each Pledgor hereby constitutes and appoints the Pledgee its true and lawful attorney-in-fact, irrevocably, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance of an Event of Default and after giving any written prior notice required hereunder (if any) to the relevant Pledgor, in the Pledgee's discretion, to act, require, demand, receive and give acquittance for any and all monies and claims for monies due or to become due to such Pledgor under or arising out of

the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings and to execute any instrument which the Pledgee may deem reasonably necessary or advisable to accomplish the purposes of this Agreement to the fullest extent permitted by applicable law, which appointment as attorney is coupled with an interest.

Section 14. *The Pledgee as Collateral Agent.*

The Pledgee will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood, acknowledged and agreed by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Pledgee as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Article 11 of the Credit Agreement. The Pledgee shall act hereunder on the terms and conditions set forth herein and in Article 11 of the Credit Agreement.

Section 15. *Transfer by the Pledgors.*

Except as permitted prior to the date all Secured Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated, pursuant to the Credit Agreement, no Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein.

Section 16. *Representations, Warranties and Covenants of the Pledgors.*

(a) Each Pledgor represents, warrants and, until the Termination Date, covenants as to itself and each of its Subsidiaries that:

(i) it is the legal, beneficial and (except as to Securities credited on the books of a Clearing Corporation or a Securities Intermediary) record owner of, and has good and valid title to, all of its Collateral consisting of one or more Securities, Partnership Interests and Limited Liability Company Interests and that it has sufficient interest in all of its Collateral in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option, Adverse Claim or other encumbrance whatsoever, except the liens and security interests created by this Agreement or permitted under the Credit Documents);

(ii) it has full power, authority and legal right to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, subject to (A) the effects of bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought

in equity or at law) and (B) as it relates to the pledge of any capital stock of Foreign Subsidiaries of the Borrower, the effects of the possible judicial application of foreign laws or foreign governmental or judicial action affecting creditors' rights;

(iv) no consent of any other party (including, without limitation, any stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no material consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (A) the execution, delivery or performance of this Agreement by such Pledgor, (B) the validity or enforceability of this Agreement against such Pledgor, (C) the filing of any financing statements, the perfection or enforceability of the Pledgee's security interest in such Pledgor's Collateral or (D) except for compliance with or as may be required by applicable securities laws, the exercise by the Pledgee of any of its rights or remedies provided herein, in each case, except as would not reasonable be expected to have a Material Adverse Effect;

(v) neither the execution, delivery or performance by such Pledgor of this Agreement, or any other Credit Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, (A) will contravene any provision of any applicable law, statute, rule or regulation, or any applicable order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, applicable to such Pledgor, (B) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents and Permitted Liens) upon any of the properties or assets of any such Pledgor or any of its Subsidiaries pursuant to the terms of, any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which such Pledgor or any of its Subsidiaries is a party or by which it or any of its properties or assets is bound or to which it may be subject (except, in the case of preceding clauses (A) and (B), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect); or (C) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of such Pledgor or any of its Subsidiaries.

(vi) all of such Pledgor's Collateral (consisting of Securities, Limited Liability Company Interests and Partnership Interests issued by any Pledgor or any Subsidiary of any Pledgor) has been duly and validly issued, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii) each of such Pledgor's Pledged Notes issued by any Pledgor or any Subsidiary of any Pledgor constitutes, or when executed by the obligor thereof will constitute, the legal, valid and binding obligation of such obligor, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by

applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law);

(viii) the pledge, collateral assignment and delivery to the Pledgee of such Pledgor's Collateral consisting of Certificated Securities and Pledged Notes pursuant to this Agreement and the continued possession thereof by the Pledgee or an Affiliate creates a valid and perfected security interest in such Certificated Securities and Pledged Notes, and the proceeds thereof, having the priority specified in the ABL/Term Intercreditor Agreement, subject to no prior Lien or encumbrance or to any agreement purporting to grant to any third party a Lien or encumbrance on the property or assets of such Pledgor which would include the Securities (other than the liens and security interests permitted under the Credit Documents then in effect) and the Pledgee is entitled to all the rights, priorities and benefits afforded by the UCC or other relevant law as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral; and

(ix) to the extent required by Section 3(b) hereof, the Pledgor shall have taken all steps in its control so that the Pledgee may obtain "control" (as defined in Section 8-106 of the UCC) over all of such Pledgor's Collateral consisting of Securities (including, without limitation, Notes that are Securities) with respect to which such "control" may be obtained pursuant to Section 8-106 of the UCC, except to the extent that the obligation of the applicable Pledgor to provide the Pledgee with "control" of such Collateral has not yet arisen under this Agreement.

(b) Each Pledgor covenants and agrees that it will defend the Pledgee's right, title and security interest in and to such Pledgor's Collateral (whether now owned or hereinafter acquired) and the proceeds thereof against the claims and demands of all persons whomsoever.

Section 17. *Pledgors' Obligations Absolute, Etc.* The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination of this Agreement pursuant to Section 19 hereof or, with respect to a specific Pledgor, release of such Pledgor pursuant to Section 31 hereof), including, without limitation:

(a) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from any Credit Document (other than this Agreement in accordance with its terms), or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement (other than a waiver, consent or extension with respect to this Agreement in accordance with its terms);

(c) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee;

(d) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

Section 18. *Sale of Collateral Without Registration.*

If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Collateral consisting of Securities, Limited Liability Company Interests or Partnership Interests pursuant to Section 7 hereof, and such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee may, in its sole and absolute discretion, sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion (a) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof shall have been filed under such Securities Act, (b) may approach and negotiate with a single possible purchaser to effect such sale, and (c) may restrict such sale to a purchaser who will represent and agree, among other things, that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Pledgee, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until the registration as aforesaid.

Section 19. *Termination; Release.*

(a) On the Termination Date (as defined below), this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination) and the Pledgee, at the request and expense of such Pledgor, will execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement (including, without limitation, UCC termination statements and instruments of satisfaction, discharge and/or reconveyance), and will duly release from the security interest created hereby and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Pledgee or any of its sub-agents hereunder and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement, together with any moneys at the time held by the Pledgee or any of its sub-agents hereunder and, with respect to any Collateral consisting of an Uncertificated Security, a Partnership Interest or a Limited Liability Company Interest (other than an Uncertificated Security, Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), a termination of the agreement relating thereto

executed and delivered by the issuer of such Uncertificated Security pursuant to Section 3(b)(i)(B) or by the respective partnership or limited liability company pursuant to Section 3(b)(i)(D)(2). As used in this Agreement, "**Termination Date**" shall mean the date upon which the Commitments under the Credit Agreement have been terminated and all Secured Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Term Loans thereunder have been repaid in full.

(b) In the event that any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) at any time prior to the time at which all Secured Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated, in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or a greater percentage of Lenders if required by Section 12.10 of the Credit Agreement), the Pledgee, at the request and expense of such Pledgor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or released and as may be in the possession of the Pledgee (or, in the case of Collateral held by any sub-agent designated pursuant to Section 4 hereof, such sub-agent) and has not theretofore been released pursuant to this Agreement.

(c) At any time that any Pledgor desires that the Pledgee take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 20(a) or (b), such Pledgor shall deliver to the Pledgee (and the relevant sub-agent, if any, designated pursuant to Section 4 hereof) a certificate signed by a Responsible Officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to (a) or (b) hereof.

(d) The Pledgee shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 20.

Section 20. *Notices, Etc.*

(a) Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Pledgee or any Pledgor shall not be effective until received by the Pledgee or such Pledgor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(i) if to any Pledgor, at its address set forth opposite its signature below;

(ii) if to the Pledgee, at:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attention: Ronaldo Naval
Telephone No.: (214) 209-1162
Telecopier No.: (877) 511-6124

(iii) if to any Secured Creditor, either (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement, or (y) at such address as such Secured Creditor shall have specified in the Credit Agreement; and

(iv) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Pledgors and the Pledgee;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

(v) Notices and other communications to the Pledgee hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Pledgee. The Pledgee or any Pledgor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Section 21. *Waiver; Amendment.*

Except as provided in Section 31 and 32 hereof, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in accordance with the requirements specified in the Security Agreement.

Section 22. *Successors and Assigns.*

This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 19 hereof, (ii) be binding upon each Pledgor, its successors and assigns; provided, however, that no Pledgor shall assign any of its rights or obligations hereunder without the prior written consent of the Pledgee (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Pledgee hereunder, to the benefit of the Pledgee, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Pledgor herein or in any certificate or other instrument delivered by such Pledgor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Credit Documents regardless of any investigation made by the Secured Creditors or on their behalf.

Section 23. *Headings Descriptive.*

The headings of the several Sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 24. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL.*

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS THAT WOULD CAUSE THE LAW OF ANY OTHER JURISDICTION TO APPLY. ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT (EXCEPT THAT, (X) IN THE CASE OF ANY COLLATERAL LOCATED IN ANY STATE OTHER THAN NEW YORK, PROCEEDINGS MAY BE BROUGHT BY THE ADMINISTRATIVE AGENT OR PLEDGEE IN THE STATE IN WHICH THE RESPECTIVE COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING, WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING), OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH SUCH PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER IT. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 21 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE PLEDGEE OR ANY SECURED CREDITOR TO SERVE

PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 25. *Pledgor's Duties.*

It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Pledgor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Pledgee shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, except for the safekeeping of Collateral actually in Pledgor's possession, nor shall the Pledgee be required or obligated in any manner to perform or fulfill any of the obligations of any Pledgor under or with respect to any Collateral.

Section 26. *Counterparts.*

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each Pledgor and the Pledgee. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

Section 27. *Severability.*

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 28. *Recourse.*

This Agreement is made with full recourse to each Pledgor and pursuant to and upon all the representations, warranties, covenants and agreements on the part of such Pledgor contained herein and in the other Credit Documents and otherwise in writing in connection herewith or therewith.

Section 29. *Additional Pledgors.*

It is understood and agreed that any Restricted Subsidiary of the Borrower that is required to become a party to this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Pledgor hereunder by (x) executing a counterpart hereof, or a joinder agreement in form and substance satisfactory to the Pledgee, and delivering the same to the Pledgee, (y) delivering supplements to Annexes A through G, hereto as are necessary to cause such annexes to be complete and accurate with respect to such additional Pledgor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Pledgor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Pledgee and with all documents and actions required above to be taken to the reasonable satisfaction of the Pledgee.

Section 30. *Limited Obligations.*

It is the desire and intent of each Pledgor and the Secured Creditors that this Agreement shall be enforced against each Pledgor to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. Notwithstanding anything to the contrary contained herein, in furtherance of the foregoing, it is noted that the obligations of each Pledgor constituting a Guarantor have been limited as provided in the Term Loan Guaranty.

Section 31. *Release of Pledgors.*

If at any time all of the Equity Interests of any Pledgor owned by the Borrower or any of its Subsidiaries are sold (to a Person other than a Credit Party) in a transaction permitted pursuant to the Credit Agreement, then, such Pledgor shall be released as a Pledgor pursuant to this Agreement without any further action hereunder (it being understood that the sale of all of the Equity Interests in any Person that owns, directly or indirectly, all of the Equity Interests in any Pledgor shall be deemed to be a sale of all of the Equity Interests in such Pledgor for purposes of this Section), and the Pledgee is authorized and directed to execute and deliver such instruments of release as are reasonably satisfactory to it. At any time that the Lead U.S. Borrower desires that a Pledgor be released from this Agreement as provided in this Section 32, the Lead U.S. Borrower shall deliver to the Pledgee a certificate signed by a Responsible Officer of the Borrower stating that the release of such Pledgor is permitted pursuant to this Section 31.

Section 32. *ABL/Term Intercreditor Agreement.*

This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/

Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Pledgee pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Pledgee (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement.

* * * *

IN WITNESS WHEREOF, each Pledgor and the Pledgee have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY, INC.

BAUER HOCKEY CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS INC.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

MISSION ITECH HOCKEY, INC.

By: _____

Name:

Title:

Address: 100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

Accepted and Agreed to:
BANK OF AMERICA, N.A
as Collateral Agent and Pledgee

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
TERM LOAN U.S. PLEDGE AGREEMENT

SCHEDULE OF SUBSIDIARIES

Entity	Ownership	Jurisdiction of Organization	Direct Owner

ANNEX B
to
TERM LOAN U.S. PLEDGE AGREEMENT

SCHEDULE OF STOCK

1.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of Term Loan U.S. Pledge Agreement

2.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of Term Loan U.S. Pledge Agreement

ANNEX C
to
TERM LOAN U.S. PLEDGE AGREEMENT

SCHEDULE OF NOTES

[Signature Page to the Term Loan U.S. Pledge Agreement]

ANNEX D
to
TERM LOAN U.S. PLEDGE AGREEMENT

SCHEDULE OF LIMITED LIABILITY COMPANY INTERESTS

1.

Name of Issuing Limited Company	Type of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of Term Loan U.S. Pledge Agreement

2.

Name of Issuing Limited Company	Type of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of Term Loan U.S. Pledge Agreement

[Signature Page to the Term Loan U.S. Pledge Agreement]

ANNEX E
to
TERM LOAN U.S. PLEDGE AGREEMENT

SCHEDULE OF PARTNERSHIP INTERESTS

[Signature Page to the Term Loan U.S. Pledge Agreement]

ANNEX F
to
TERM LOAN U.S. PLEDGE AGREEMENT

Form of Agreement Regarding Uncertificated Securities, Limited Liability Company Interests and Partnership Interests

AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this " **Agreement**"), dated as of [_____ __, 20_], among the undersigned pledgor (the "**Pledgor**"), [_____], not in its individual capacity but solely as Collateral Agent (the "**Pledgee**"), and [_____] as the issuer of the Uncertificated Securities, Limited Liability Company Interests and/or Partnership Interests (each as defined below) (the "**Issuer**").

W I T N E S S E T H :

WHEREAS, the Pledgor, certain of its affiliates and the Pledgee have entered into an Term Loan U.S. Pledge Agreement, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "**Term Loan U.S. Pledge Agreement**"), under which, among other things, in order to secure the payment of the Secured Obligations (as defined in the Term Loan U.S. Pledge Agreement), the Pledgor has or will pledge to the Pledgee for the benefit of the Secured Creditors (as defined in the Term Loan U.S. Pledge Agreement), and grant a security interest in favor of the Pledgee for the benefit of the Secured Creditors in, all of the right, title and interest of the Pledgor in and to certain ["**uncertificated securities**" (as defined in Section 8-102(a)(18) of the Uniform Commercial Code, as adopted in the State of New York) ("**Uncertificated Securities**")] [Partnership Interests (as defined in the Term Loan U.S. Pledge Agreement)] [Limited Liability Company Interests (as defined in the Term Loan U.S. Pledge Agreement)], from time to time issued by the Issuer, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such [Uncertificated Securities] [Partnership Interests] [Limited Liability Company Interests] being herein collectively called the "**Issuer Pledged Interests**"); and

WHEREAS, the Pledgor desires the Issuer to enter into this Agreement in order to perfect the security interest of the Pledgee under the Term Loan U.S. Pledge Agreement in the Issuer Pledged Interests, to vest in the Pledgee control of the Issuer Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Pledgor hereby irrevocably authorizes and directs the Issuer, and the Issuer hereby agrees, to comply with any and all instructions and orders originated by the Pledgee (and its successors and assigns) regarding any and all of the Issuer Pledged Interests without the further consent by the registered owner (including the Pledgor), and, following its receipt of a notice from the Pledgee stating that the Pledgee is exercising exclusive control of the Issuer Pledged Interests, not to comply with any instructions or orders regarding any or all of the Issuer Pledged Interests originated by any person or entity other than the Pledgee (and its successors and assigns) or a court

of competent jurisdiction.

2 . The Issuer hereby certifies that (i) no notice of any security interest, lien or other encumbrance or claim affecting the Issuer Pledged Interests (other than the Permitted Liens) has been received by it, and (ii) the security interest of the Pledgee in the Issuer Pledged Interests has been registered in the books and records of the Issuer.

3 . The Issuer hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Issuer Pledged Interests to the Pledgee, for the benefit of the Secured Creditors, does not violate the charter, by-laws, partnership agreement, membership agreement or any other agreement governing the Issuer or the Issuer Pledged Interests, and (ii) the Issuer Pledged Interests consisting of capital stock of a corporation are fully paid and nonassessable.

4. All notices, statements of accounts, reports, prospectuses, financial statements and other communications to be sent to the Pledgor by the Issuer in respect of the Issuer will also be sent to the Pledgee at the following address:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attention: Ronaldo Naval
Telephone No.: (214) 209-1162
Telecopier No.: (877) 511-6124

5 . Following its receipt of a notice from the Pledgee stating that the Pledgee is exercising exclusive control of the Issuer Pledged Interests and until the Pledgee shall have delivered written notice to the Issuer that the Termination Date has occurred and this Agreement is terminated, the Issuer will send any and all redemptions, distributions, interest or other payments in respect of the Issuer Pledged Interests from the Issuer for the account of the Pledgee only by wire transfers to such account as the Pledgee shall instruct.

6 . Except as expressly provided otherwise in Sections 4 and 5 hereof, all notices, instructions, orders and communications hereunder shall be sent or delivered by mail, telegraph, telex, telecopy, cable or overnight courier service and all such notices and communications shall, when mailed, telexed, telecopied, cabled or sent by overnight courier, be effective when deposited in the mails or delivered to overnight courier, prepaid and properly addressed for delivery on such or the next Business Day, or sent by telex or telecopier, except that notices and communications to the Pledgee or the Issuer shall not be effective until received. All notices and other communications shall be in writing and addressed as follows:

(i) if to the Pledgor, at:

[_____]
[_____]
[_____]
Attention: [_____]
Telephone No.: [_____]
Telecopier No.: [_____]

(ii) if to the Pledgee, at the address given in Section 4 hereof;

(iii) if to the Issuer, at

_____
_____
_____

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder. As used in this Section 6, "**Business Day**" means any day other than a Saturday, Sunday, or other day in which banks in New York are authorized to remain closed.

7 . This Agreement shall be binding upon the successors and assigns of the Pledgor and the Issuer and shall inure to the benefit of and be enforceable by the Pledgee and its successors and permitted assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing signed by the Pledgee, the Issuer and the Pledgor.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its principles of conflict of laws.

9 . This Agreement is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Credit Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of the ABL/Term Intercreditor Agreement shall govern.

IN WITNESS WHEREOF, the Pledgor, the Pledgee and the Issuer have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[_____], as Pledgor

By: _____
Name:
Title:

BANK OF AMERICA, N.A., not in its individual capacity but solely as Collateral Agent and Pledgee

By: _____
Name:
Title:

By: _____
Name:
Title:

[[_____], as the Issuer]

By: _____
Name:
Title:

EXHIBIT F-2

FORM OF CANADIAN PLEDGE AGREEMENT

[See Attached.]

TERM LOAN CANADIAN PLEDGE AGREEMENT

among

BAUER PERFORMANCE SPORTS LTD.,

CERTAIN SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.

and

BANK OF AMERICA, N.A.,

as

COLLATERAL AGENT

Dated as of April 15, 2014

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TERM LOAN CANADIAN PLEDGE AGREEMENT

TERM LOAN CANADIAN PLEDGE AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "**Agreement**"), dated as of April 15, 2014, among each of the undersigned pledgors (each, a " **Pledgor**" and, together, the "**Pledgors**") and Bank of America, N.A., as collateral agent (together with any successor collateral agent, the " **Collateral Agent**"), for the benefit of the Secured Creditors (as defined below).

W I T N E S S E T H:

WHEREAS, Bauer Performance Sports Ltd. (the " **Borrower**"), the lenders party thereto from time to time (the " **Lenders**"), Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**"), have entered into a Term Loan Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**Credit Agreement**"), providing for the making of Term Loans to the Borrower as contemplated therein (the Lenders, the Collateral Agent, the Administrative Agent and each other agent named therein are herein called the " **Secured Creditors**");

WHEREAS, pursuant to the Term Loan Guaranty dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**Term Loan Guaranty**"), each Subsidiary Guarantor (as defined in the Credit Agreement) has jointly and severally guaranteed to the Secured Creditors the payment when due of all Secured Obligations;

WHEREAS, it is a condition precedent to the making of Term Loans to the Borrower under the Credit Agreement that each Pledgor shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each Pledgor will obtain benefits from the incurrence of Term Loans by the Borrower under the Credit Agreement and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Term Loans to the Borrower;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

Section 1. *Security for Obligations.*

This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure such Pledgor's Secured Obligations:

Section 2. *Definitions.*

(a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"**Administrative Agent**" shall have the meaning set forth in the recitals hereto.

"**Agreement**" shall have the meaning set forth in the first paragraph hereof.

"**Borrower**" shall have the meaning set forth in the recitals hereto.

"**Certificated Security**" shall have the meaning given such term in the PPSA.

"**Clearing House**" shall have the meaning given such term in the PPSA.

"**Collateral**" shall have the meaning set forth in Section 3(a) hereof.

"**Collateral Accounts**" shall mean any and all accounts established and maintained by the Collateral Agent in the name of any Pledgor to which Collateral may be credited.

"**Collateral Agent**" shall have the meaning set forth in the first paragraph hereof.

"**Credit Agreement**" shall have the meaning set forth in the recitals hereto.

"**Domestic Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Event of Default**" shall mean (a) at any time prior to the time at which all Commitments have been terminated and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (b) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"**Excluded Collateral**" shall have the meaning given such term in the Canadian Security Agreement.

"**Financial Asset**" shall have the meaning given such term in the PPSA.

"**Foreign Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Guaranteed Obligations**" shall have the meaning given such term in the Term Loan Guaranty.

"**Instrument**" shall have the meaning given such term in the PPSA.

"**Investment Property**" shall have the meaning given such term in the PPSA.

"**Lenders**" shall have the meaning set forth in the recitals hereto.

"**Non-Voting Equity Interests**" shall mean all Equity Interests of any Person which are not Voting Equity Interests.

"**Notes**" shall mean (a) all intercompany notes at any time issued to each Pledgor and (b) all other promissory notes from time to time issued to, or held by, each Pledgor.

"**Other Creditors**" shall have the meaning set forth in the recitals hereto.

"**Partnership Assets**" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned by any Pledgor or represented by any Partnership Interest.

"**Partnership Interest**" shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership.

"**Pledged Notes**" shall mean all Notes at any time pledged or required to be pledged hereunder.

"**Pledgor**" shall have the meaning set forth in the first paragraph hereof.

"**PPSA**" means the *Personal Property Security Act* (Ontario); provided that, if perfection or the effect of perfection or non-perfection of the priority of the security interests created by this Agreement is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Proceeds**" shall have the meaning given such term in the PPSA.

"**Required Secured Creditors**" shall have the meaning provided in the Canadian Security Agreement.

"**Secured Creditors**" shall have the meaning set forth in the recitals hereto.

"**Secured Obligations**" shall mean, with respect to each Pledgor, the Obligations (as such term is defined in the Canadian Security Agreement) and the Guaranteed Obligations of such Pledgor.

"**Securities Account**" shall have the meaning given such term in the PPSA.

"**Securities Intermediary**" shall have the meaning given such term in the PPSA.

"**Security**" and "**Securities**" shall have the meaning given such term in the PPSA and shall in any event also include all Stock and all Notes.

"**Security Entitlement**" shall have the meaning given such term in the PPSA.

"**Stock**" shall mean (a) with respect to any corporation, company or other body corporate incorporated under the laws of (i) the United States, any state thereof or the District of Columbia or (ii) Canada or any province or territory thereof (each, a "**Domestic Corporation**"), all of the issued and outstanding shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in such Domestic Corporation's equity or capital at any time owned by any Pledgor and (b) with respect to any corporation, company or other body corporate not a Domestic Corporation (each, a "**Foreign Corporation**"), all of the issued and outstanding shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in such Foreign Corporation's equity or capital at any time owned by any Pledgor.

"**Term Loan Guaranty**" shall have the meaning set forth in the recitals hereto.

"**Termination Date**" shall have the meaning set forth in Section 19 hereof.

"**ULC**", "**ULC Legislation**" and "**ULC Shares**" shall have the meanings set forth in Section 34 hereof.

"**Uncertificated Security**" shall have the meaning given such term in the PPSA.

"**Voting Equity Interests**" shall have the meaning provided in the U.S. Security Agreement.

Section 3. *Pledge of Securities, Etc.*

(a) *Pledge.* To secure the Secured Obligations now or hereafter owed or to be performed by such Pledgor, each Pledgor does hereby pledge, assign, mortgage, charge and grant to the Collateral Agent, for the benefit of the Secured Creditors, as and by way of a fixed and specific mortgage and charge, and grant to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest (subject to those Liens permitted to exist with respect to the Collateral pursuant to the terms of all Credit Documents then in effect) in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "**Collateral**"):

(i) each of the Collateral Accounts (to the extent a security interest therein is not created pursuant to the Security Agreement), including any and all assets of whatever type or kind deposited by such Pledgor in any such Collateral Account, whether now owned or hereafter acquired, existing or arising, including, without limitation, all Financial Assets, Investment Property, Money, cheques, drafts, Instruments, Securities or interests therein of any type or nature deposited or required by the Credit Agreement or any other Credit Document to be deposited in such Collateral Account, and all investments and all certificates and other Instruments (including depository receipts, if any) from time to time representing or evidencing the same, and all dividends, interest, distributions, cash, Money and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

(ii) all Securities owned or held by such Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Securities;

(iii) all Partnership Interests owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such Partnership Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests, including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Asset, to enforce or execute any cheques, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(iv) all Financial Assets and Investment Property owned by such Pledgor from time to time;

(v) all Security Entitlements owned by such Pledgor from time to time in any and all of the foregoing; and

(vi) all Proceeds of any and all of the foregoing;

provided that notwithstanding anything to the contrary in this clause (a), the term "Collateral" and the pledge hereunder shall not include any Excluded Collateral.

(b) Procedures.

(i) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by such Pledgor) be pledged pursuant to Section 3(a) hereof and, in addition thereto, subject to the ABL/Term Intercreditor Agreement, such Pledgor shall (to the extent provided below) take the following actions as set forth below (as promptly as practicable) for the benefit of the Collateral Agent and the other Secured Creditors:

(A) with respect to a Certificated Security (other than a Certificated Security credited on the books of a Clearing House or Securities Intermediary), such Pledgor shall physically deliver such Certificated Security to the Collateral Agent, endorsed to the Collateral Agent or endorsed in blank to the extent the interests represented by such Certificated Security are required to be pledged hereunder;

(B) with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing House or Securities Intermediary), and at any time any Event of Default under the Credit Agreement has occurred and is continuing, such Pledgor shall cause the issuer of such Uncertificated Security, promptly, upon the request of the Collateral Agent, to duly authorize, execute, and deliver to the Collateral Agent, an agreement for the benefit of the Collateral Agent and the other Secured Creditors substantially in the form of Annex E hereto (appropriately completed to the reasonable satisfaction of the Collateral Agent and with such modifications, if any, as shall be reasonably satisfactory to the Collateral Agent) pursuant to which such issuer agrees to comply with any and all instructions originated by the Collateral Agent without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security (and any Partnership Interests issued by such issuer) originated by any other Person other than a court of competent jurisdiction;

(C) with respect to a Partnership Interest (other than a Partnership Interest credited on the books of a Clearing House or Securities Intermediary), (1) if such Partnership Interest is represented by a certificate and is a Security for purposes of the *Securities Transfer Act, 2006* (Ontario) (the "**STA**)" or securities transfer legislation in another applicable jurisdiction in Canada, the procedure set forth in Section 3(b)(i)(A) hereof, and (2) if such Partnership Interest is not represented by a certificate or is not a Security for purposes of the STA or securities transfer

legislation in another applicable jurisdiction in Canada, the procedure set forth in Section 3(b)(i)(B) hereof;

(D) with respect to any Note (other than a Note which does not have a principal amount in excess of $100,000), such Pledgor shall physically deliver such Note to the Collateral Agent, endorsed in blank, or, at the request of the Collateral Agent, endorsed to the Collateral Agent; and

(E) with respect to cash proceeds from any of the Collateral described in Section 3(a) hereof, such Pledgor shall deposit of such cash in the Dominion Account or any other Deposit Account that is subject to a Deposit Account Control Agreement;

provided that, notwithstanding anything to the contrary contained in this Section 3(b)(i), a Pledgor shall not be required to take the actions set forth in this Section with respect to any Certificated Security, Uncertificated Security or Partnership Interest of a Person that is not a Subsidiary of such Pledgor to the extent the aggregate fair market value of all such Collateral does not exceed $100,000.

(ii) In addition to the actions required to be taken pursuant to Section 3(b)(i) hereof, each Pledgor shall take the following additional actions with respect to the Collateral:

(A) with respect to all Collateral of such Pledgor described in Sections 3(b)(i)(A) to (D) hereof, whereby or with respect to which the Collateral Agent may obtain "control" thereof within the meaning of the PPSA, such Pledgor shall take all actions as may be reasonably requested from time to time by the Collateral Agent so that "control" of such Collateral is obtained and at all times held by the Collateral Agent (including, without limitation, the delivery of Certificated Securities, accompanied by executed instruments of transfer endorsed in blank, or, at the request of the Collateral Agent, endorsed to the Collateral Agent); and

(B) each Pledgor shall from time to time cause appropriate financing statements under the PPSA, covering all Collateral hereunder (with the form of such financing statements to be reasonably satisfactory to the Collateral Agent), to be filed in the relevant filing offices, so that at all times the Collateral Agent's security interest in the Investment Property and other Collateral which can be perfected by the filing of such financing statements (in each case to the maximum extent perfection by filing may be obtained under the laws of the relevant jurisdiction, including, without limitation, Section 23 of the PPSA) is so perfected.

(c) *Subsequently Acquired Collateral.* If any Pledgor shall acquire (by purchase, stock dividend, distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, (i) such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3(a) hereof and, furthermore, such Pledgor will thereafter take (or cause to be taken) all action (as promptly as practicable) with respect to such Collateral in accordance with the procedures set forth in Section 3(b) hereof.

(d) *Transfer Taxes.* Each pledge of Collateral under Section 3(a) or Section 3(c) hereof shall be accompanied by any transfer tax stamps required in connection with the pledge of such Collateral.

(e) *Certain Representations and Warranties Regarding the Collateral.* Each Pledgor represents and warrants that on the date hereof: (i) each Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex B hereto; (ii) the Stock (and any warrants or options to purchase Stock) held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) of the corporations as described in Annex B hereto; (iii) such Stock referenced in clause (ii) of this paragraph constitutes that percentage of the issued and outstanding capital stock of the issuing corporation (or other applicable issuer) as is set forth in Annex B hereto; (iv) the Notes held by such Pledgor consist of the intercompany notes and the promissory notes described in Annex C hereto where such Pledgor is listed as the lender; (v) the Partnership Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex D hereto; (vi) each such Partnership Interest referenced in clause (v) of this paragraph constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex D hereto; (vii) the Pledgor has complied with the respective procedure set forth in Section 3(b)(i) hereof with respect to each item of Collateral described in Annexes B through E hereto; and (viii) on the date hereof, such Pledgor owns no other Securities, Stock, Notes or Partnership Interests which are required to be pledged under Section 3(a) hereof.

(f) *Attachment.* Each Pledgor has rights in its Collateral and agrees that the Secured Creditors have given value and that the security interests created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon such Pledgor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Collateral Agent. In each case, the parties do not intend to postpone the attachment of any security interests created by this Agreement.

(g) *In Addition to Other Rights; No Marshalling.* This Agreement is in addition to and is not in any way prejudiced by or merged with any other security interest or Lien now or subsequently held by the Collateral Agent in respect of any Secured Obligations. The Secured Creditors shall be under no obligation to marshal in favour of the Pledgors any other security interest or Lien or any money or other property that the Secured Creditors may be entitled to receive or may have a claim upon.

Section 4. *Appointment of Sub-Agents; Endorsements, Etc.*

The Collateral Agent shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of the Collateral, which may be held (in the reasonable discretion of the Collateral Agent) in the name of the relevant Pledgor, endorsed or assigned in blank or in favour of the Collateral Agent or any nominee or nominees of the Collateral Agent or a sub-agent appointed by the Collateral Agent.

Section 5. *Voting, Etc., While No Event of Default.*

For greater certainty, unless and until there shall have occurred and be continuing any Event of Default under the Credit Agreement, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof. Subject to Section 34 hereof, all such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease at any time after the occurrence and during the continuance of an Event of Default and, except in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, upon prior written notice from the Collateral Agent of its intent to exercise its rights under this Agreement, and Section 7 hereof shall become applicable.

Section 6. *Dividends and Other Distributions.*

For greater certainty, except as permitted under the Credit Agreement, unless and until there shall have occurred and be continuing an Event of Default and, other than in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, the Collateral Agent shall have given prior written notice of its intent to exercise such rights to the Pledgor, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the respective Pledgor, *provided*, that all cash dividends payable in respect of the Collateral which are reasonably determined by the Collateral Agent to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital shall be paid, to the extent so determined to represent an extraordinary, liquidating or other distribution in return of capital, to the Collateral Agent and retained by it as part of the Collateral. While this Agreement is in effect, the Collateral Agent shall be entitled to receive directly, and to retain as part of the Collateral:

(a) all other or additional shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights, notes, certificates, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above) paid or distributed by way of dividend or otherwise in respect of the Collateral;

(b) all other or additional shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights, notes, certificates, partnership interests, instruments or other securities or property (including, but not limited to, cash (although such cash may be paid directly to the respective Pledgor so long as no Event of Default then exists)) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, reorganization, combination of shares or similar rearrangement; and

(c) all other or additional shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights, notes, certificates, partnership interests, instruments or other securities or property (including, but not limited to, cash) which may be paid in respect of the Collateral by reason of any consolidation, merger, amalgamation, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Collateral Agent's right to receive the proceeds of the Collateral in any form in accordance with Section 3 hereof. All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this

Section 6 or Section 7 hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

Section 7. *Remedies in Case of an Event of Default.* (a) If there shall have occurred and be continuing an Event of Default, then and in every such case, subject to the terms of the ABL/Term Intercreditor Agreement, the Collateral Agent shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Credit Document or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Collateral Agent shall be entitled to exercise all the rights and remedies of a secured party under the PPSA and the UCC as in effect in any relevant jurisdiction and also shall be entitled, without limitation, to exercise the following rights, with each Pledgor hereby agreeing that the rights set forth in clauses (i), (ii), (iii), (iv) and (vi) below are commercially reasonable:

(i) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the respective Pledgor;

(ii) to transfer all or any part of the Collateral into the Collateral Agent's name or the name of its nominee or nominees;

(iii) to accelerate any Pledged Note which may be accelerated in accordance with its terms, and take any other lawful action to collect upon any Pledged Note (including, without limitation, to make any demand for payment thereon);

(iv) to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Collateral Agent) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Collateral Agent the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);

(v) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable, *provided* at least 10 days' written notice of the time and place of any such sale shall be given to the respective Pledgor. The Collateral Agent shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security or the Obligations or otherwise. At any such sale, unless prohibited

by applicable law, the Collateral Agent on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. The Collateral Agent may also accept the Collateral in satisfaction of the Secured Obligations. Neither the Collateral Agent nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(vi) to set off any and all Collateral against any and all Secured Obligations, and to withdraw any and all cash or other Collateral from any and all Collateral Accounts and to apply such cash and other Collateral to the payment of any and all Secured Obligations.

(b) It is understood and agreed that in respect of Collateral consisting of Uncertificated Securities and Partnership Interests subject of an agreement substantially in the form of Annex E and as described in Section 3(b)(i)(B), unless an Event of Default has occurred and is continuing, the Collateral Agent shall not deliver to the issuer of such Uncertificated Securities or Partnership Interests, as the case may be, a notice stating that the Collateral Agent is exercising exclusive control of such Uncertificated Securities or Partnership Interests, as the case may be, under, and as described in such respective agreement.

(c) The Collateral Agent may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral. The Collateral Agent may remove any receiver appointed by it and appoint another in its place, and may determine the remuneration of any receiver, which may be paid from the proceeds of the Collateral in priority to other Secured Obligations. Any receiver appointed by the Collateral Agent shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Collateral Agent under this Agreement, the PPSA or otherwise. Any receiver shall be deemed the agent of the Obligors and the Agent shall not be in any way responsible for any misconduct or negligence of any receiver.

Section 8. *Remedies, Cumulative, Etc.*

Each and every right, power and remedy of the Collateral Agent provided for in this Agreement or in any other Credit Document, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and, subject to Section 12(c) hereof, shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Collateral Agent or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Credit Document or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Collateral Agent or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Collateral Agent or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Collateral Agent, in

each case, acting upon the instructions of the Required Secured Creditors, and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured Creditors upon the terms of this Agreement and the Security Agreement.

Section 9. *Application of Proceeds.*

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all monies collected by the Collateral Agent upon any sale or other disposition of the Collateral as a result of the exercise of any remedies by the Collateral Agent after the occurrence and during the continuance of an Event of Default pursuant to the terms of this Agreement, together with all other monies received by the Collateral Agent hereunder, shall be applied in the manner provided in the Credit Agreement.

(b) It is understood and agreed that each Pledgor shall remain jointly and severally liable with respect to the Secured Obligations to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of the Secured Obligations.

Section 10. *Purchasers of Collateral.*

Upon any sale of the Collateral by the Collateral Agent hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Collateral Agent or the officer making such sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication or nonapplication thereof.

Section 11. *Indemnity and Payment of Expenses.*

The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

Section 12. *Collateral Agent Not A Partner or Limited Liability Company.*

(a) Nothing herein shall be construed to make the Collateral Agent or any other Secured Creditor liable as a member of any limited liability company or as a partner of any partnership and neither the Collateral Agent nor any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or as a partner in any partnership. The parties hereto expressly agree that, unless the Collateral Agent shall become the absolute owner of Collateral consisting of a Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Collateral Agent, any other Secured Creditor, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 12, the

Collateral Agent, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Collateral Agent shall have only those powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 12.

(c) The Collateral Agent and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Collateral Agent of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Collateral Agent or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

Section 13. *Further Assurances; Power-of-Attorney.*

(a) Each Pledgor agrees that it will join with the Collateral Agent in executing and, at such Pledgor's own expense, file and refile under the PPSA or other applicable law such financing statements, financing change statements, renewals and other documents, in form reasonably acceptable to the Collateral Agent, in such offices as the Collateral Agent (acting on its own or on the instructions of the Required Secured Creditors) may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Collateral Agent's security interest in the Collateral hereunder and hereby authorizes the Collateral Agent to file financing statements and amendments thereto relative to all or any part of the Collateral (including, without limitation, financing statements which list the Collateral specifically and/or as "all present and after-acquired personal property" without the signature of such Pledgor where permitted by law), and agrees to do such further acts and things and to execute and deliver to the Collateral Agent such additional conveyances, assignments, agreements and instruments as the Collateral Agent may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to further assure and confirm unto the Collateral Agent its rights, powers and remedies hereunder or thereunder. Each Pledgor waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law.

(b) Each Pledgor hereby constitutes and appoints the Collateral Agent its true and lawful attorney-in-fact, irrevocably, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance of an Event of Default and after giving any written prior notice required hereunder (if any) to the relevant Pledgor, in the Collateral Agent's discretion, to act, require, demand, receive and give acquittance for any and all monies and claims for monies due or to become due to such Pledgor under or arising out of the Collateral, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings and to

execute any instrument which the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement to the fullest extent permitted by applicable law, which appointment as attorney is coupled with an interest.

Section 14. *The Collateral Agent as Collateral Agent.*

The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood, acknowledged and agreed by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Article 11 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Article 11 of the Credit Agreement.

Section 15. *Transfer by the Pledgors.*

Except as permitted prior to the date all Secured Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated, pursuant to the Credit Agreement, no Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein.

Section 16. *Representations, Warranties and Covenants of the Pledgors.*

(a) Each Pledgor represents, warrants and, until the Termination Date, covenants as to itself and each of its Subsidiaries that:

(i) it is the legal, beneficial and (except as to Securities credited on the books of a Clearing House or a Securities Intermediary) record owner of, and has good and valid title to, all of its Collateral consisting of one or more Securities and Partnership Interests and that it has sufficient interest in all of its Collateral in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option or other encumbrance whatsoever, except the liens and security interests created by this Agreement or permitted under the Credit Documents);

(ii) it has full power, authority and legal right to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, subject to (A) the effects of bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law) and (B) as it relates to the pledge of any Stock of Foreign Subsidiaries of the Borrower, the effects of the possible judicial application of foreign laws or foreign

governmental or judicial action affecting creditors' rights;

(iv) other than any approval or consent that may be required from the board of directors or shareholders of any Pledgor or any of its Subsidiaries pursuant to its constating documents, which has already been obtained and will be maintained in full force and effect during the term of this Agreement, except in the case of ULC Shares, no consent of any other party (including, without limitation, any shareholder, unitholder, stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no material consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (A) the execution, delivery or performance of this Agreement by such Pledgor, (B) the validity or enforceability of this Agreement against such Pledgor, (C) the filing of any financing statements, the perfection or enforceability of the Collateral Agent's security interest in such Pledgor's Collateral or (D) except for compliance with or as may be required by applicable securities laws, the exercise by the Collateral Agent of any of its rights or remedies provided herein, in each case, except as would not reasonable be expected to have a Material Adverse Effect;

(v) neither the execution, delivery or performance by such Pledgor of this Agreement, or any other Credit Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, (A) will contravene any provision of any applicable law, statute, rule or regulation, or any applicable order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, applicable to such Pledgor, (B) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents and Permitted Liens) upon any of the properties or assets of any such Pledgor or any of its Subsidiaries pursuant to the terms of, any indenture, mortgage, debenture, hypothec, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which such Pledgor or any of its Subsidiaries is a party or by which it or any of its properties or assets is bound or to which it may be subject (except, in the case of preceding clauses (A) and (B), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect); or (C) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement, by-laws or partnership agreement (or equivalent organizational documents), as applicable, of such Pledgor or any of its Subsidiaries.

(vi) all of such Pledgor's Collateral (consisting of Securities and Partnership Interests issued by any Pledgor or any Subsidiary of any Pledgor) has been duly and validly issued, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii) each of such Pledgor's Pledged Notes issued by any Pledgor or any Subsidiary of any Pledgor constitutes, or when executed by the obligor thereof will constitute, the legal,

valid and binding obligation of such obligor, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law);

(viii) the pledge, collateral assignment and delivery to the Collateral Agent of such Pledgor's Collateral consisting of Certificated Securities and Pledged Notes pursuant to this Agreement and the continued possession thereof by the Collateral Agent or an Affiliate creates a valid and perfected security interest in such Certificated Securities and Pledged Notes, and the proceeds thereof, having the priority specified in the ABL/Term Intercreditor Agreement, subject to no prior Lien or encumbrance or to any agreement purporting to grant to any third party a Lien or encumbrance on the property or assets of such Pledgor which would include the Securities (other than the liens and security interests permitted under the Credit Documents then in effect) and the Collateral Agent is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant law as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral; and

(ix) to the extent required by Section 3(b) hereof, the Pledgor shall have taken all steps in its control so that the Collateral Agent may obtain "control" within the meaning of the PPSA over all of such Pledgor's Collateral consisting of Securities (including, without limitation, Notes that are Securities) with respect to which such "control" may be obtained pursuant to the PPSA, except to the extent that the obligation of the applicable Pledgor to provide the Collateral Agent with "control" of such Collateral has not yet arisen under this Agreement.

(b) Each Pledgor covenants and agrees that it will defend the Collateral Agent's right, title and security interest in and to such Pledgor's Collateral (whether now owned or hereinafter acquired) and the proceeds thereof against the claims and demands of all persons whomsoever.

Section 17. *Pledgors' Obligations Absolute, Etc.* The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination of this Agreement pursuant to Section 19 hereof or, with respect to a specific Pledgor, release of such Pledgor pursuant to Section 30 hereof), including, without limitation:

(a) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from any Credit Document (other than this Agreement in accordance with its terms), or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement (other than a waiver, consent or extension with respect to this Agreement in accordance with its terms);

(c) any furnishing of any additional security to the Collateral Agent or its assignee or any

acceptance thereof or any release of any security by the Collateral Agent or its assignee;

(d) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

Section 18. *Sale of Collateral Without* Qualification.

If the Collateral Agent determines to exercise its right to sell any or all of the Collateral consisting of Securities or Partnership Interests pursuant to Section 7 hereof, each Pledgor agrees that, upon request of the Collateral Agent, each Pledgor will, at its own expense, do or cause to be done all such other acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law. The Collateral Agent is not required to take steps to qualify, or cause to be qualified, any Securities or Partnership Interests forming part of the Collateral for public distribution or request the issuer to qualify them. The Collateral Agent need not dispose of any Securities or Partnership Interests by public distribution even if they are qualified for public distribution. The Collateral Agent may dispose of Securities or Partnership Interests by an exemption from the prospectus requirements of applicable securities legislation as it considers appropriate notwithstanding that doing so may require them to comply with limitations or restrictions relating to the exemption. The limitations or restrictions may include complying with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications (including being accredited investors, agreeing to pay a minimum price or demonstrating qualifications required to obtain any approval of the sale or resulting purchase that is required under applicable law), and restricting prospective bidders and purchasers to those who will represent and agree that they are purchasing as principal for their own account for investment and not with a view to distribution or resale. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until the registration as aforesaid.

Section 19. *Termination; Release.*

(a) On the Termination Date (as defined below), this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination) and the Collateral Agent, at the request and expense of such Pledgor, will execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement (including, without limitation, PPSA financing change statements or discharges and instruments of satisfaction, discharge and/or reconveyance), and will duly release from the security interest created hereby and assign, transfer and deliver to

such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent or any of its sub-agents hereunder and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement, together with any moneys at the time held by the Collateral Agent or any of its sub-agents hereunder and, with respect to any Collateral consisting of an Uncertificated Security or a Partnership Interest (other than an Uncertificated Security or Partnership Interest credited on the books of a Clearing House or Securities Intermediary), a termination of the agreement relating thereto executed and delivered by the issuer of such Uncertificated Security pursuant to Section 3(b)(i)(B) or by the respective partnership pursuant to Section 3(b)(i)(C)(2). As used in this Agreement, "**Termination Date**" shall mean the date upon which the Commitments under the Credit Agreement have been terminated and all Secured Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Term Loans thereunder have been repaid in full.

(b) In the event that any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) at any time prior to the time at which all Secured Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated, in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or a greater percentage of Lenders if required by Section 12.10 of the Credit Agreement), the Collateral Agent, at the request and expense of such Pledgor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or released and as may be in the possession of the Collateral Agent (or, in the case of Collateral held by any sub-agent designated pursuant to Section 4 hereof, such sub-agent) and has not theretofore been released pursuant to this Agreement.

(c) At any time that any Pledgor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 19(a) or (b), such Pledgor shall deliver to the Collateral Agent (and the relevant sub-agent, if any, designated pursuant to Section 4 hereof) a certificate signed by a Responsible Officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to (a) or (b) hereof.

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 19.

Section 20. *Notices, Etc.*

(a) Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or

any Pledgor shall not be effective until received by the Collateral Agent or such Pledgor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(i) if to any Pledgor, at its address set forth opposite its signature below;

(ii) if to the Collateral Agent, at:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attention: Ronaldo Naval
Telephone No.: (214) 209-1162
Telecopier No.: (877) 511-6124

(iii) if to any Secured Creditor, either (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement, or (y) at such address as such Secured Creditor shall have specified in the Credit Agreement; and

(iv) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Pledgors and the Collateral Agent;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

(v) Notices and other communications to the Collateral Agent hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Collateral Agent. The Collateral Agent or any Pledgor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Section 21. *Waiver; Amendment.*

Except as provided in Section 30 and 33 hereof, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in accordance with the requirements specified in the Security Agreement.

Section 22. *Successors and Assigns.*

This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 19 hereof, (ii) be binding upon each Pledgor, its successors and assigns; provided, however, that no Pledgor shall assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent (with the prior written consent of the Required Secured Creditors), and (iii) inure,

together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Pledgor herein or in any certificate or other instrument delivered by such Pledgor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the Credit Documents regardless of any investigation made by the Secured Creditors or on their behalf.

Section 23. *Headings Descriptive.*

The headings of the several Sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 24. *GOVERNING LAW*; *SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL.*

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN. EACH PLEDGOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTE ARISING FROM OR IN RELATION TO THIS AGREEMENT AND EACH PLEDGOR IRREVOCABLY AND UNCONDITIONALLY ATTORNS TO THE EXCLUSIVE JURISDICTION OF THAT PROVINCE. EACH PLEDGOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO ARE THE MOST APPROPRIATE AND CONVENIENT FORUM TO SETTLE DISPUTES AND AGREES NOT TO ARGUE TO THE CONTRARY. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 20 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES

AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 25. *Pledgor's Duties.*

It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Pledgor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, except for the safekeeping of Collateral actually in Pledgor's possession, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Pledgor under or with respect to any Collateral.

Section 26. *Counterparts.*

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each Pledgor and the Collateral Agent. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

Section 27. *Severability.*

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 28. *Recourse.*

This Agreement is made with full recourse to each Pledgor and pursuant to and upon all the representations, warranties, covenants and agreements on the part of such Pledgor contained herein and in the other Credit Documents otherwise in writing in connection herewith or therewith.

Section 29. *Limited Obligations.*

It is the desire and intent of each Pledgor and the Secured Creditors that this Agreement

shall be enforced against each Pledgor to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. Notwithstanding anything to the contrary contained herein, in furtherance of the foregoing, it is noted that the obligations of each Pledgor constituting a Guarantor have been limited as provided in the Term Loan Guaranty.

Section 30. *Release of Pledgors.*

If at any time all of the Equity Interests of any Pledgor owned by the Borrower or any of its Subsidiaries are sold (to a Person other than a Credit Party) in a transaction permitted pursuant to the Credit Agreement, then, such Pledgor shall be released as a Pledgor pursuant to this Agreement without any further action hereunder (it being understood that the sale of all of the Equity Interests in any Person that owns, directly or indirectly, all of the Equity Interests in any Pledgor shall be deemed to be a sale of all of the Equity Interests in such Pledgor for purposes of this Section), and the Collateral Agent is authorized and directed to execute and deliver such instruments of release as are reasonably satisfactory to it. At any time that the Parent desires that a Pledgor be released from this Agreement as provided in this Section 30, the Parent shall deliver to the Collateral Agent a certificate signed by a Responsible Officer of the Borrower stating that the release of such Pledgor is permitted pursuant to this Section 30.

Section 31. *Amalgamation, Merger.*

If any Pledgor amalgamates or merges with one or more other entities, the Obligations and the security interest granted to the Collateral Agent pursuant to this Agreement shall continue as to the Obligations and the Collateral of such Grantor at the time of amalgamation or merger, and shall extend to the Obligations and the present and future Collateral of the amalgamated or merged entity, and the term Grantor shall extend to the amalgamated or merged entity, all as if the amalgamated or merged entity had executed this Agreement as such Grantor.

Section 32. *Limitation Periods.*

To the extent that any limitation period applies to any claim for payment of the Secured Obligations or remedy for enforcement of the Secured Obligations, each Pledgor agrees that: (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law; (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law; (c) any applicable limitation period shall not begin before an express demand for payment of the Secured Obligations is made in writing by the Collateral Agent to the Pledgors; (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Secured Obligations by the Credit Parties; and (e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies.

Section 33. *ABL/Term Intercreditor Agreement.*

This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/

Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Collateral Agent (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement.

Section 34. *ULC Provisions.*

Notwithstanding any provisions to the contrary contained in this Agreement, any other Credit Document or any other document or agreement to which any party to this Agreement is also party, each Pledgor is the sole registered and beneficial owner of the Securities and other Equity Interests (collectively, the "**ULC Shares**") of each unlimited company, unlimited liability company or unlimited liability corporation incorporated or otherwise existing under the laws of any province of Canada or under the federal laws of Canada, or any other entity whose members or shareholders have liability comparable to that of members or shareholders of any of those entities (each, a "**ULC**") that is from time to time a Subsidiary. Each Pledgor will remain so until the ULC Shares are, with the prior written consent of the Collateral Agent (which has not been revoked) and in the course of realization of the liens under this Agreement, transferred on the books and records of the applicable issuer into the name of the Collateral Agent, its nominee or a purchaser designated by the Collateral Agent. Accordingly, each Pledgor shall be entitled to receive and retain for its own account any dividend, distribution, payment or other proceeds in respect of the ULC Shares (except insofar as such Pledgor has granted a security interest in the dividend or other distribution in favour of the Collateral Agent under this Agreement, in which case the other terms of the security interest will apply) and shall have the right to vote the ULC Shares and to control the direction, management and policies of the applicable issuer to the same extent as such Pledgor would if the ULC Shares were not pledged to the Collateral Agent. Nothing in this Agreement or any other Credit Document is intended to or shall constitute the Collateral Agent or any Person other than the Pledgors, a shareholder or member of any issuer of ULC Shares for the purposes of the *Business Corporations Act* (Alberta), the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia) or any other applicable legislation governing the formation of a ULC ("**ULC Legislation**") until such time as the ULC Shares are transferred in the course of realization as described above. To the extent any provision of this Agreement would have the effect of constituting the Collateral Agent or any Person other than the Pledgors as a shareholder or member of any ULC that is from time to time an issuer for the purposes of the ULC Legislation before then, the provision shall be deemed not to apply to the ULC Shares or that ULC, as the case may be, and shall be ineffective without otherwise invalidating or rendering this Agreement unenforceable or invalidating or rendering the provision in question unenforceable insofar as it relates to property that is not the ULC Shares. Notwithstanding anything else in this Agreement, except upon the exercise of rights to sell or otherwise dispose of the ULC Shares following the occurrence of an Event of Default, the Pledgors

shall not cause, permit or enable any issuer of ULC Shares to cause, permit, or enable, the Collateral Agent to:

(a) be registered as a shareholder of the issuer;

(b) have any notation entered in its favour in the share register or other books and records of a ULC in respect of the ULC Shares;

(c) act or purport to act as a shareholder of the issuer, or obtain, exercise or attempt to exercise any rights of a shareholder of the issuer, including the right to attend a meeting of the issuer, or to vote the ULC Shares;

(d) be held out as shareholder or member of the issuer; or

(e) receive, directly or indirectly, any dividends, property or other distributions from the issuer by reason of the Collateral Agent holding a security interest in the ULC Shares.

The limitations in this Section shall not restrict the Collateral Agent from (i) exercising the rights to sell or otherwise dispose of ULC Shares that it is entitled to exercise under this Agreement or (ii) having the ULC Shares registered in its name, in either case at any time that the Collateral Agent is entitled to realize on all or any portion of the ULC Shares pursuant to this Agreement and, in either case, provided that the Collateral Agent has (x) given notice to the applicable Pledgor of its intention to realize upon those ULC Shares (including by selling or disposing of or re-registering those ULC Shares) and (y) consented in writing to any change in registration and not revoked its consent.

* * * *

IN WITNESS WHEREOF, each Pledgor and the Collateral Agent have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

By: __
Name:
Title:

KBAU HOLDINGS CANADA, INC.

By: __
Name:
Title:

BAUER HOCKEY CORP.

By: __
Name:
Title:

BPS GREENLAND CORP.

By: __
Name:
Title:

BPS DIAMOND SPORTS CORP.

By: __
Name:
Title:

BAUER PERFORMANCE LACROSSE CORP.

By: __
Name:
Title:

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

By: __
Name:
Title:

8848076 CANADA CORP.

By: __
Name:
Title:

Address: 100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President
and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@,bauer.com

Accepted and Agreed to:
BANK OF AMERICA, N.A
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
TERM CANADIAN PLEDGE AGREEMENT

SCHEDULE OF SUBSIDIARIES

Entity	Ownership	Jurisdiction of Organization	Direct Owner

[Signature Page to the Term Loan Canadian Pledge Agreement]

ANNEX B
to
TERM CANADIAN PLEDGE AGREEMENT

SCHEDULE OF STOCK

1.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	**[Sub-clause of Section 3.2(a)]** of Term Canadian Pledge Agreement

2.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	**[Sub-clause of Section 3.2(a)]** of Term Canadian Pledge Agreement

[Signature Page to the Term Loan Canadian Pledge Agreement]

ANNEX C
to
TERM CANADIAN PLEDGE AGREEMENT

SCHEDULE OF NOTES

[Signature Page to the Term Loan Canadian Pledge Agreement]

ANNEX D
to
TERM CANADIAN PLEDGE AGREEMENT

SCHEDULE OF PARTNERSHIP INTERESTS

ANNEX E
to
TERM LOAN CANADIAN PLEDGE AGREEMENT

Form of Issuer Control Agreement

THIS ISSUER CONTROL AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "**Agreement**"), dated as of [_____ __, 20_], among the undersigned pledgor (the " **Pledgor**"), [_____], not in its individual capacity but solely as Collateral Agent (the "**Collateral Agent**"), and [_____] as the issuer of the Uncertificated Securities and/or Partnership Interests (each as defined below) (the "**Issuer**").

W I T N E S S E T H :

WHEREAS, the Pledgor, certain of its affiliates and the Collateral Agent have entered into an Term Loan Canadian Pledge Agreement, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "**Term Loan Canadian Pledge Agreement**"), under which, among other things, in order to secure the payment of the Secured Obligations (as defined in the Term Loan Canadian Pledge Agreement), the Pledgor has or will pledge to the Collateral Agent for the benefit of the Secured Creditors (as defined in the Term Loan Canadian Pledge Agreement), and grant a security interest in favour of the Collateral Agent for the benefit of the Secured Creditors in, all of the right, title and interest of the Pledgor in and to certain ["**uncertificated securities**" (as defined in the *Personal Property Security Act* (Ontario)) ("**Uncertificated Securities**")] [Partnership Interests (as defined in the Term Loan Canadian Pledge Agreement)], from time to time issued by the Issuer, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such [Uncertificated Securities] [Partnership Interests] being herein collectively called the "**Issuer Pledged Interests**"); and

WHEREAS, the Pledgor desires the Issuer to enter into this Agreement in order to perfect the security interest of the Collateral Agent under the Term Loan Canadian Pledge Agreement in the Issuer Pledged Interests, to vest in the Collateral Agent control of the Issuer Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1 . The Pledgor hereby irrevocably authorizes and directs the Issuer, and the Issuer hereby agrees, to comply with any and all instructions and orders originated by the Collateral Agent (and its successors and assigns) regarding any and all of the Issuer Pledged Interests without the further consent by the registered owner (including the Pledgor), and, following its receipt of a notice from the Collateral Agent stating that the Collateral Agent is exercising exclusive control of the Issuer Pledged Interests, not to comply with any instructions or orders regarding any or all of the Issuer Pledged Interests originated by any person or entity other than the Collateral Agent (and its successors and assigns) or a court of competent jurisdiction.

2. The Issuer hereby certifies that (i) no notice of any security interest, lien or other encumbrance or claim affecting the Issuer Pledged Interests (other than the Permitted Liens) has been received by it, (ii) the security interest of the Collateral Agent in the Issuer Pledged Interests has been registered in the books and records of the Issuer and (iii) it has not entered into any other agreement establishing control (as defined in the *Securities Transfer Act, 2006* (Ontario) (the "**STA**")) in relation to the Issuer Pledged Interests.

3. The Issuer hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Issuer Pledged Interests to the Collateral Agent, for the benefit of the Secured Creditors, does not violate the charter, articles, by-laws, partnership agreement, membership agreement or any other agreement governing the Issuer or the Issuer Pledged Interests, and (ii) the Issuer Pledged Interests consisting of capital stock of a corporation are fully paid and nonassessable.

4. All notices, statements of accounts, reports, prospectuses, financial statements and other communications to be sent to the Pledgor by the Issuer in respect of the Issuer will also be sent to the Collateral Agent at the following address:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attention: Ronaldo Naval
Telephone No.: (214) 209-1162
Telecopier No.: (877) 511-6124

5. Following its receipt of a notice from the Collateral Agent stating that the Collateral Agent is exercising exclusive control of the Issuer Pledged Interests and until the Collateral Agent shall have delivered written notice to the Issuer that the Termination Date has occurred and this Agreement is terminated, the Issuer will send any and all redemptions, distributions, interest or other payments in respect of the Issuer Pledged Interests from the Issuer for the account of the Collateral Agent only by wire transfers to such account as the Collateral Agent shall instruct.

6. Except as expressly provided otherwise in Sections 4 and 5 hereof, all notices, instructions, orders and communications hereunder shall be sent or delivered by mail, telegraph, telex, telecopy, cable or overnight courier service and all such notices and communications shall, when mailed, telexed, telecopied, cabled or sent by overnight courier, be effective when deposited in the mails or delivered to overnight courier, prepaid and properly addressed for delivery on such or the next Business Day, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or the Issuer shall not be effective until received. All notices and other communications shall be in writing and addressed as follows:

(i) if to the Pledgor, at:

[_____]
[_____]
[_____]
Attention: [_____]
Telephone No.: [_____]
Telecopier No. [_____]

(ii) if to the Collateral Agent, at the address given in Section 4 hereof;

(iii) if to the Issuer, at

_____
_____
_____

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder. As used in this Section 6, "**Business Day**" means any day other than a Saturday, Sunday, or other day in which banks in Toronto, Ontario are authorized to remain closed.

7. This Agreement shall be binding upon the successors and assigns of the Pledgor and the Issuer and shall inure to the benefit of and be enforceable by the Collateral Agent and its successors and permitted assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing signed by the Collateral Agent, the Issuer and the Pledgor.

8. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its principles of conflict of laws. Each of the parties hereto hereby irrevocably attorns to, and submits to the non-exclusive jurisdiction of, the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

9. This Agreement is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Credit Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of the ABL/Term Intercreditor Agreement shall govern.

IN WITNESS WHEREOF, the Pledgor, the Collateral Agent and the Issuer have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[_____], as Pledgor

By: _____
Name:
Title:

BANK OF AMERICA, N.A., not in its individual capacity but solely as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[[_____], as the Issuer]

By: _____
Name:
Title:

EXHIBIT G-1

FORM OF U.S. SECURITY AGREEMENT

[See Attached.]

TERM LOAN SECURITY AGREEMENT

among

CERTAIN SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.

and

BANK OF AMERICA, N.A.,

as

COLLATERAL AGENT

_____

Dated as of April 15, 2014

_____

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SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of April 15, 2014 made by each of the undersigned grantors (each, a " Grantor" and, together with any other entity that becomes a grantor hereunder pursuant to Section 9.12 hereof, the "Grantors") in favor of Bank of America, N.A., as Collateral Agent (together with any successor Collateral Agent, the "Collateral Agent"), for the benefit of the Secured Creditors (as defined below). Certain capitalized terms as used herein are defined in Article IX hereof. Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Bauer Performance Sports Ltd. (the "Borrower"), various lenders party thereto from time to time (the "Lenders") and Bank of America, N.A., as administrative agent and collateral agent (together with any successor administrative agent or collateral agent, the "Administrative Agent") have entered into a Term Loan Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making of Term Loans to the Borrower, as contemplated therein (the Lenders, the Administrative Agent, the Collateral Agent and each other Agent are herein called the "Secured Creditors");

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations;

WHEREAS, it is a condition precedent to the making of Term Loans to the Borrower under the Credit Agreement that each Grantor shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each Grantor will obtain benefits from the incurrence of Term Loans by the Borrower under the Credit Agreement and accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Term Loans to the Borrower;

NOW, THEREFORE, in consideration of the benefits accruing to each Grantor, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

ARTICLE I

SECURITY INTERESTS

1.1 Grant of Security Interests .

(a) As security for the prompt and complete payment or performance, as the case may be, when due of all of the Obligations, each Grantor does hereby pledge and grant to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest in all of the right, title and interest of such Grantor in, to and under all of the following personal property and fixtures (and all rights therein) of such Grantor, or in which or to which such Grantor has any rights, in each case whether now existing or hereafter from time to time acquired (but excluding any Excluded Collateral (as defined below)):

(i) each and every Account;

(ii) all cash;

(iii) the Cash Collateral Account and all monies, securities, Instruments and other investments deposited or required to be deposited in the Cash Collateral Account;

(iv) all Chattel Paper (including, without limitation, all Tangible Chattel Paper and all Electronic Chattel Paper);

(v) all Commercial Tort Claims set forth on Annex H hereto or for which notice is required to be provided pursuant to 3.9 below;

(vi) Contracts, together with all Contract Rights arising thereunder;

(vii) all Equipment and Fixtures;

(viii) all Deposit Accounts and all other demand, deposit, time, savings, cash management, passbook and similar accounts maintained by such Grantor with any Person and all monies, securities, Instruments and other investments deposited or required to be deposited in any of the foregoing;

(ix) all Documents;

(x) all General Intangibles;

(xi) all Goods;

(xii) all Instruments;

(xiii) all Intellectual Property;

(xiv) all Inventory;

(xv) all Investment Property;

(xvi) all Letter-of-Credit Rights (whether or not the respective letter of credit is evidenced by a writing);

(xvii) all Patents;

(xviii) all Permits;

(xix) all Supporting Obligations; and

(xx) all Proceeds and products of any and all of the foregoing (all of the above, the "Collateral").

(b) The security interest of the Collateral Agent under this Agreement extends to all Collateral that any Grantor may acquire, or with respect to which any Grantor may obtain rights, at any time during the term of this Agreement.

1.2 Certain Exceptions. Notwithstanding Section 1.1, no security interest is or will be granted pursuant hereto in any right, title or interest of any Grantor under or in (each of (a) through (o) collectively, the "Excluded Collateral"):

(a) any leases, licenses, Instruments, Contracts, Chattel Paper, General Intangibles, Permits, governmental licenses, state or local franchises, charters or authorizations or other contracts or agreements with or issued by Persons other than the Borrower or Subsidiaries of the Borrower or an Affiliate thereof (collectively, "Excluded Agreements") that would otherwise be included in the Collateral (and such Excluded Agreements shall not be deemed to constitute a part of the Collateral) for so long as, and to the extent that, the granting of such a security interest pursuant hereto would invalidate or result in a violation, breach, default or termination of such Excluded Agreements or create a right of termination in favor of, or require the consent of, any party thereto (in each case other than the Borrower or a Subsidiary Guarantor) (in each case, except to the extent any such violation, breach, default, termination, right or consent would be rendered ineffective under the UCC or other applicable law); provided, however, that a security interest in an Excluded Agreement in favor of the Secured Creditors shall attach immediately (i) at such time as Grantor's grant of a security interest in such Excluded Agreement no longer results in a violation, breach, default or termination thereof or thereunder or no longer creates such right of termination or such right has been waived or requires such consent or such consent has been obtained, (ii) to the extent severable, to any portion of such Excluded Agreement that does not result in a respective violation, breach, default, termination or right or consent thereof or thereunder and (iii) to any proceeds or receivables of such Excluded Agreement that are not Excluded Collateral; or

(b) Equity Interests in any CFC or FSHCO, in each case, in excess of 65% of the total outstanding Voting Equity Interests of such CFC or FSHCO, as applicable, that is directly owned by such Grantor;

(c) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law;

(d) any rights or property to the extent that any valid and enforceable law or

regulation applicable to such rights or property prohibits the creation of a security interest therein, except to the extent such prohibition is unenforceable after giving effect to the applicable provisions of the UCC or other applicable law;

(e) those assets located outside of the United States and Canada (solely to the extent action would be required in such other jurisdictions to obtain such security interests);

(f) those assets as to which the Administrative Agent and the Lead Borrower reasonably agree in a writing to the Collateral Agent that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby;

(g) those assets as to which the grant of a security interest or Lien therein in favor of the Secured Creditors could reasonably be expected to result in material adverse tax consequences (including, without limitation, as a result of the operation of Section 956 of the Code or any similar law or regulation in any applicable jurisdiction), as reasonably determined in good faith by the Borrower;

(h) (a) any fee-owned real property with a fair market value less than $5,000,000 and (b) all leasehold interests in real property;

(i) any Equity Interests in (i) a joint venture or other non-Wholly-Owned Subsidiary to the extent that granting a security interest in or Lien on such Equity Interests is not permitted by the governing documents of such joint venture or other non-Wholly-Owned Subsidiary or would require the consent of any Person who owns Equity Interests in such joint venture or non-Wholly-Owned Subsidiary which (other than any Grantor or its Subsidiaries) consent has not been obtained, (ii) Subsidiaries that are not directly owned by a Grantor, and (iii) Unrestricted Subsidiaries;

(j) any margin stock;

(k) any Vehicles and other assets subject to certificates of title (other than to the extent such rights can be perfected by the filing of a financing statement under the UCC);

(l) any Letter-of-Credit Rights with a face value of less than $100,000 (other than to the extent that the security interest of the Collateral Agent therein is perfected by the filing of financing statements under the UCC);

(m) cash that secures any letters of credit outstanding and permitted to be outstanding and secured pursuant to the terms of the Credit Agreement;

(n) any Commercial Tort Claims with a value of less than $100,000; and

(o) any of the following:

(1) any property that would otherwise be included in the Collateral (and such property shall not be deemed to constitute a part of the Collateral) if such property has been sold or otherwise transferred in connection with a sale-leaseback

transaction permitted under Section 9.02(xi) of the Credit Agreement, or is subject to any Liens permitted under Section 9.01(vii) of the Credit Agreement, or constitutes the Proceeds or products of any property that has been so sold or otherwise transferred, in each case in accordance with the terms of the Credit Agreement, so long as such Proceeds or products remain subject to the Liens referenced above in this clause (1); and

(2) any property or asset that would otherwise be included in the Collateral (and such property or asset shall not be deemed to constitute a part of the Collateral) if such property or assets is subject to a Lien permitted by Section 9.01(xiv) of the Credit Agreement;

in each case pursuant to preceding clauses (o)(1) through (2), for so long as, and to the extent that, the granting or existence of such a security interest pursuant hereto would result in a breach, default or termination of any agreement relating to the respective Lien or obligations secured thereby (in each case, except to the extent any such breach, default or termination would be rendered ineffective under the UCC or other applicable law); provided that immediately upon repayment of the Indebtedness and/or other monetary obligation secured by a Lien referenced in clauses (o)(1) through (2), the relevant Grantor shall be deemed to have granted a security interest in all of its rights, title and interests under or in such asset, Equipment or other property that is the subject of such Lien;

provided, however, that Excluded Collateral shall not include any Proceeds, substitutions or replacements of any Excluded Collateral referred to in any of clauses (a) through (o) (unless such Proceeds, substitutions or replacements would constitute Excluded Collateral referred to in any of clauses (a) through (o)).

1.3 Power of Attorney. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of such Grantor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to such Grantor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be reasonably necessary or advisable to protect the interests of the Secured Creditors, which appointment as attorney is coupled with an interest.

ARTICLE II

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Grantor represents and warrants as of the date hereof, and, until the Termination Date, covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1 Necessary Perfection Action. The security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral for the benefit of the Collateral Agent and the Secured Creditors is a valid security interest and Lien upon such Grantor's right, title and interest in and to the Collateral. Upon (A) the filing of the UCC financing statements delivered to the Collateral Agent for filing in the appropriate jurisdictions set forth on Annex C, (B) the recordation of Annexes K - M in the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as the case may be, and (C) the receipt by the Collateral Agent of all instruments, chattel paper and certificated pledged Equity Interests constituting Collateral in suitable form for transfer by delivery or accompanied by instruments of transfer or assignment duly executed in blank, such security interest and Lien shall be perfected in all of the Collateral in which a security interest may be perfected by filing, recording or registering a UCC financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the UCC or other applicable law in such jurisdictions and in which a security interest may be perfected upon the receipt and recording of this Agreement (or a short form hereof) with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office as the case may be; provided, however, that additional filings may be necessary to perfect the Collateral Agent's security interest in, and Lien on, any Recordable Intellectual Property acquired after the date hereof.

Upon the actions taken under this Section 2.1, such security interest will be superior to and prior to all other Liens of all other Persons (other than Permitted Liens), and, subject to the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement, enforceable as such as against all other Persons (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) other than Ordinary Course Transferees.

2.2 No Liens. Such Grantor is, and as to all Collateral acquired by it from time to time after the date hereof will be, the owner of, or otherwise have the right to use, all Collateral free from any Lien of any Person (other than Permitted Liens), and such Grantor shall, at its own expense, take all commercially reasonable actions necessary to defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein materially adverse to the Collateral Agent.

2.3 Other Financing Statements. As of the date hereof, no Grantor has filed, nor authorized the filing by any third party of any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than financing statements filed in respect of Permitted Liens), and so long as the Termination Date has not occurred, such Grantor will not authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Grantor or in connection with Permitted Liens.

2.4 Chief Executive Office, Record Locations. The chief executive office of

such Grantor is, on the date of this Agreement, located at the address indicated on Annex A hereto for such Grantor. During the period of the four calendar months preceding the date of this Agreement, the chief executive office of such Grantor has not been located at any address other than that indicated on Annex A in accordance with the immediately preceding sentence, in each case unless each such other address is also indicated on Annex A hereto for such Grantor.

2 . 5 Location of Inventory and Equipment. All Inventory and Equipment (having a fair market value in excess of $1,000,000 with respect to Collateral comprising Equipment only) held on the date hereof, or held at any time during the four calendar months prior to the date hereof, by each Grantor, other than Inventory in transit or Equipment moved in the ordinary course of business, is located at one of the locations shown on Annex B hereto for such Grantor.

2 . 6 Legal Names; Type of Organization (and Whether a Registered Organization); Jurisdiction of Organization; Location; Organizational Identification Numbers; Federal Employer Identification Number; Changes Thereto; etc. As of the Closing Date, the exact legal name of each Grantor, the type of organization of such Grantor, whether or not such Grantor is a Registered Organization, the jurisdiction of organization of such Grantor, such Grantor's Location, the organizational identification number (if any) of such Grantor and the Federal Employer Identification Number of such Grantor (if any), is listed on Annex C hereto for such Grantor. Such Grantor shall not change its legal name, its type of organization, its status as a Registered Organization (in the case of a Registered Organization), its jurisdiction of organization, its Location, its organizational identification number (if any) or its Federal Employer Identification Number (if any) from that used on Annex C hereto, except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve (x) a Registered Organization ceasing to constitute same or (y) such Grantor changing its jurisdiction of organization or Location from the United States or a State thereof to a jurisdiction of organization or Location, as the case may be, outside the United States or a State thereof) if (i) it shall have given to the Collateral Agent written notice of each change to the information listed on Annex C (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex C which shall update all information contained therein for such Grantor within five (5) Business Days of such change (or such longer period as agreed to by the Collateral Agent) and (ii) in connection with such change or changes, it shall take all action reasonably requested by the Collateral Agent to maintain the security interests of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected to the extent described in Section 2.1 and in full force and effect. In addition, to the extent that such Grantor does not have an organizational identification number on the date hereof and later obtains one, such Grantor shall promptly thereafter notify the Collateral Agent of such organizational identification number and shall take all actions reasonably satisfactory to the Collateral Agent to the extent necessary to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby fully perfected to the extent described in Section 2.1 and in full force and effect.

2.7 Trade Names; Etc. Such Grantor has not and does not operate in any jurisdiction under, or in the preceding five (5) years has not operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name as specified in Annex C and such

other trade or fictitious names as are listed on Annex D hereto for such Grantor.

2.8 Certain Significant Transactions. During the one year period preceding the date of this Agreement, no Person shall have merged or consolidated with or into any Grantor, and no Person shall have liquidated into, or transferred all or substantially all of its assets to, any Grantor, in each case except the mergers and consolidations contemplated by the Transaction and the mergers and consolidations described in Annex E hereto. With respect to any transactions so described in Annex E hereto, the respective Grantor shall have furnished such information with respect to the Person (and the assets of the Person and locations thereof) which merged with or into or consolidated with such Grantor, or was liquidated into or transferred all or substantially all of its assets to such Grantor, and shall have furnished to the Collateral Agent such UCC lien searches as may have been reasonably requested with respect to such Person and its assets, to establish that no security interest (excluding Permitted Liens) continues perfected on the date hereof with respect to any Person described above (or the assets transferred to the respective Grantor by such Person), including without limitation pursuant to Section 9-316(a)(3) of the UCC.

2.9 As-Extracted Collateral; Timber-to-be-Cut. On the date hereof, such Grantor does not own, or expect to acquire, any property which constitutes, or would constitute, As-Extracted Collateral or Timber-to-be-Cut. If at any time after the date of this Agreement such Grantor owns, acquires or obtains rights to any As-Extracted Collateral or Timber-to-be-Cut, such Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the Credit Agreement furnish the Collateral Agent with written notice thereof (which notice shall describe in reasonable detail the As-Extracted Collateral and/or Timber-to-be-Cut and the locations thereof) and shall take all actions as may be deemed reasonably necessary or desirable by the Collateral Agent to perfect the security interest of the Collateral Agent therein.

2.10 Collateral in the Possession of a Bailee. If any Inventory or other Goods, the aggregate fair market value of which is equal to or greater than $1,000,000, are at any time in the possession of a bailee, such Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the Credit Agreement furnish the Collateral Agent with written notice thereof and, if requested by the Collateral Agent after an Event of Default has occurred and is continuing, shall use its reasonable efforts to promptly obtain an acknowledgment from such bailee, in form and substance reasonably satisfactory to the Collateral Agent, that the bailee holds such Collateral for the benefit of the Collateral Agent and shall act upon the instructions of the Collateral Agent, without the further consent of such Grantor, subject to the ABL/Term Intercreditor Agreement. The Collateral Agent agrees with such Grantor that the Collateral Agent shall not give any such instructions unless an Event of Default has occurred and is continuing and upon notice from the Collateral Agent of its intent to exercise remedies.

2.11 Recourse. This Agreement is made with full recourse to each Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Grantor contained herein, in the Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

ARTICLE III

SPECIAL PROVISIONS CONCERNING ACCOUNTS; CONTRACT RIGHTS;
INSTRUMENTS; CHATTEL PAPER AND CERTAIN OTHER COLLATERAL

3 . 1 Maintenance of Records. Each Grantor will keep and maintain proper books and records of its Accounts and Contracts, in which full, true and correct entries in conformity with generally accepted accounting principles and all Requirements of Law shall be made of all such Accounts and Contracts, and such Grantor will make the same available on such Grantor's premises to officers and designated representatives of the Collateral Agent for inspection in accordance with the terms and conditions set forth in the Credit Agreement. Upon the occurrence and during the continuance of an Event of Default and at the request of the Collateral Agent, such Grantor shall, at its own cost and expense, deliver all tangible evidence of its Accounts and Contract Rights (including, without limitation, all documents evidencing the Accounts and all Contracts) and such books and records to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Grantor). Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and if the Collateral Agent so requests, such Grantor shall legend, in form and manner satisfactory to the Collateral Agent, the Accounts and the Contracts, as well as books, records and documents (if any) of such Grantor evidencing or pertaining to such Accounts and Contracts with an appropriate reference to the fact that such Accounts and Contracts have been assigned to the Collateral Agent and that the Collateral Agent has a security interest therein.

3 . 2 Direction to Account Debtors; Contracting Parties; etc. Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, after giving notice to the relevant Grantor of its intent to do so, if the Collateral Agent so directs any Grantor, such Grantor agrees (i) to cause all payments on account of the Accounts and Contracts to be made directly to the Cash Collateral Account, (ii) that the Collateral Agent may, at its option, directly notify the obligors in its own name or in the name of others with respect to any Accounts and/or under any Contracts to make payments with respect thereto as provided in the preceding clause (i), and (iii) that the Collateral Agent may enforce collection of any such Accounts and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Grantor; provided that, (x) any failure by the Collateral Agent to give or any delay in giving such notice to the relevant Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing. Subject to the terms of the ABL/Term Intercreditor Agreement, without notice to or assent by any Grantor, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account toward the payment of the Obligations in the manner provided in Section 6.4 of this Agreement. The reasonable costs and expenses of collection (including reasonable attorneys' fees), whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor. The Collateral Agent shall deliver a copy of each notice referred to in the preceding clause (y) to the relevant Grantor, provided that (x) the failure by the Collateral Agent to so notify such Grantor shall not affect the effectiveness of such

notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing.

3.3 Modification of Terms; etc. Except in accordance with such Grantor's ordinary course of business and consistent with reasonable business judgment, or as permitted by Section 3.4 hereof or by the Credit Documents, no Grantor shall rescind or cancel any indebtedness evidenced by any Account, or modify any material term thereof or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Account, or interest therein, without the prior written consent of the Collateral Agent unless such rescissions, cancellations, modifications, adjustments, extensions, renewals, compromises, settlements, releases, or sales would not reasonably be expected to materially adversely affect the value of the Accounts constituting Collateral taken as a whole. Except as otherwise permitted by the Credit Documents, no Grantor will do anything to impair the rights of the Collateral Agent in the Accounts or Contracts.

3.4 Collection. Each Grantor shall endeavor in accordance with historical business practices to cause to be collected from the Account Debtor named in each of its Accounts or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account or under such Contract. Except as otherwise directed by the Collateral Agent after the occurrence and during the continuation of an Event of Default or otherwise required pursuant to the Credit Agreement, any Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Accounts and Contracts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Grantor finds appropriate in accordance with reasonable business judgment, (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Grantor finds appropriate in accordance with reasonable business judgment and (iii) any other adjustments necessary or desirable in the Grantor's reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor.

3.5 Instruments. If any Grantor at any time holds or acquires any Instrument constituting Collateral with a face value in excess of $100,000 individually (other than checks and other payment instruments received and collected in the ordinary course of business and promptly deposited into a Deposit Account), such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following such acquisition, notify the Collateral Agent thereof, and upon request by the Collateral Agent (subject to the ABL/Term Intercreditor Agreement), promptly deliver such Instrument to the Collateral Agent appropriately endorsed in blank or to the order of the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Instrument received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements

for making any Instruments in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Instruments pursuant to the terms hereof, upon request of the Collateral Agent, such Instrument shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3.6 Grantors Remain Liable Under Accounts. Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Accounts to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Accounts. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3.7 Grantors Remain Liable Under Contracts. Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Contracts to observe and perform all of the conditions and obligations to be observed and performed by them thereunder, all in accordance with and pursuant to the terms and provisions of each Contract. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Contract by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3.8 Letter-of-Credit Rights. If any Grantor is at any time a beneficiary under a letter of credit with a stated amount of $100,000 or more, such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following the creation of such letter of credit, notify the Collateral Agent thereof and, at the request of the Collateral Agent after an Event of Default has occurred and is continuing, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, use its commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under such letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Agreement after the occurrence and during the continuance of an Event of Default (it being understood that unless an Event of

Default has occurred and is continuing such proceeds shall be released to such Grantor).

3.9 Commercial Tort Claims. As of the Closing Date, no Grantor has Commercial Tort Claims with an individual claimed value of $100,000 or more other than those described in Annex H hereto. If any Grantor shall at any time after the date of this Agreement hold or acquire a Commercial Tort Claim in an amount (taking the greater of the aggregate claimed damages thereunder or the reasonably estimated value thereof) of $100,000 or more, such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following such acquisition, notify the Collateral Agent thereof in a writing signed by such Grantor and describing the details thereof and shall grant to the Collateral Agent in such writing a security interest therein (subject to Permitted Liens) and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

3.10 Chattel Paper. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor will promptly following any reasonable request by the Collateral Agent, deliver all of its Tangible Chattel Paper with a value in excess of $100,000 to the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Chattel Paper received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Chattel Paper in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Chattel Paper pursuant to the terms hereof, subject to the terms of the ABL/Term Intercreditor Agreement, upon request of the Collateral Agent, such Chattel Paper shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3.11 Further Actions. Each Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps, including any and all actions as may be necessary or required relating to its Accounts, Contracts, Instruments and other property or rights which constitute Collateral, as the Collateral Agent may reasonably require for the purpose of obtaining or preserving the full benefits of the security interests, rights and powers herein granted; provided, that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral outside of the United States and Canada or (ii) enter into any control agreements or similar arrangements relating to any Deposit Account; provided however, that upon the occurrence and during the continuance of an Event of Default (each such period, "the Default Period") and the Discharge of the ABL Obligations (as defined in the ABL/Term Intercreditor Agreement) in any such Default Period, the Collateral Agent, during such Default Period (subject to the provisions of the ABL/Term Intercreditor Agreement), shall benefit from, and shall be entitled to, the "control" granted to the ABL Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) in any Deposit Account.

ARTICLE IV

SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY

4 . 1 Additional Representations and Warranties. Annex H hereto sets forth a complete and accurate list of all Recordable Intellectual Property that each Grantor owns. Each Grantor represents and warrants that it is the sole owner of all right, title and interest in all Recordable Intellectual Property listed in Annex H hereto. Each Grantor further warrants that it has no knowledge of any written third party claim received by it within the last twelve (12) months that any such Grantor or aspect of such Grantor's present business operations infringes, misappropriates, dilutes or otherwise violates any Intellectual Property of any other Person other than as has not, and would not, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor represents and warrants that no Recordable Intellectual Property listed in Annex H hereto has been canceled or is presently being opposed and, to such Grantor's knowledge, all such Recordable Intellectual Property is valid and subsisting, and such Grantor is not aware of any pending third-party claim that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said applications of Recordable Intellectual Property will not mature into registrations, other than would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor hereby grants to the Collateral Agent an absolute power of attorney to sign, solely upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office, any domain name registrar, the United States Copyright Office, the Canadian Intellectual Property Office or any other governmental authority in order to effect an assignment of all right, title and interest in any Intellectual Property constituting Collateral, and record the same.

4.2 Infringements. Each Grantor agrees, within 60 days of the end of each fiscal quarter, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available to such Grantor with respect to: (i) any party who such Grantor reasonably believes is infringing, misappropriating, diluting or otherwise violating any of such Grantor's rights in and to any Intellectual Property in any manner that would reasonably be expected to have a Material Adverse Effect, or (ii) any party claiming that any Grantor or the conduct of any Grantor's business infringes, misappropriates, dilutes or otherwise violates any Intellectual Property right of any third party in any manner that would reasonably be expected to have a Material Adverse Effect. Each Grantor further agrees to prosecute diligently in accordance with its reasonable business judgment, any Person infringing, misappropriating, diluting or otherwise violating any Intellectual Property owned by it in any manner that would reasonably be expected to have a Material Adverse Effect.

4.3 Preservation of Trademarks. Each Grantor agrees to use its Trademarks that are material to such Grantor's business in interstate commerce during the time in which this Agreement is in effect to the extent required by the laws of the United States or other jurisdiction, as applicable, to maintain its rights in such Trademarks and to take all such other actions as are reasonably necessary to preserve such Trademarks as trademarks or service marks under the laws

of the United States or other jurisdiction, as applicable (other than any such Trademarks that are deemed by a Grantor in its reasonable business judgment to no longer be material to the conduct of such Grantor's business).

4.4 Maintenance of Registration. Each Grantor shall, at its own expense, diligently maintain all material Recordable Intellectual Property in accordance with its reasonable business judgment, including but not limited to filing affidavits of use and applications for renewals of registration for all of its material registered Trademarks and timely payment of all post-issuance fees required to maintain in force its rights under each issued Patent or registered Copyright, and shall pay all fees and disbursements in connection therewith and shall not abandon any such registration, filing of affidavit of use or application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Collateral Agent, not to be unreasonably withheld (other than with respect to registrations and applications deemed by such Grantor in its reasonable business judgment to be no longer prudent to pursue).

4.5 Prosecution of Applications. At its own expense, each Grantor, in accordance with its reasonable business judgment, shall diligently prosecute all material applications for (i) United States Patents listed in Annex J hereto and (ii) Copyrights listed in Annex K hereto, in each case for such Grantor and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies (other than applications that are no longer material or are deemed by such Grantor in its reasonable business judgment to no longer be necessary in the conduct of Grantor's business), absent written consent of the Collateral Agent not to be unreasonably withheld.

4.6 After-Acquired Intellectual Property. In the event that any Grantor, either itself or through any agent, employee, licensee or designee, files an application for or acquires any Recordable Intellectual Property following the date hereof, then the provisions of this Agreement shall automatically apply thereto and any such Intellectual Property (other than any Excluded Collateral) shall automatically constitute part of the Collateral and shall be subject to the Collateral Agent's security interest, without further action by any party, and such Grantor shall within 60 days of the end of each fiscal quarter execute and deliver any and all agreements, instruments, documents and papers as necessary to evidence and perfect the Collateral Agent's security interest in such Recordable Intellectual Property provided that such agreements, instruments, documents and papers (the " Writings") are consistent with the terms of and conditions of this Agreement and the Annexes K – M, as applicable, and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such Writings, solely upon the occurrence and during the continuance of an Event of Default and solely for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until this Agreement is terminated.

ARTICLE V

PROVISIONS CONCERNING ALL COLLATERAL

5.1 Protection of Collateral Agent's Security. Except as otherwise permitted by the Secured Debt Agreements, each Grantor will do nothing to impair the rights of the Collateral

Agent in the Collateral. Each Grantor or an affiliate on behalf of such Grantor will at all times maintain insurance, at such Grantor's own expense to the extent and in the manner provided in the Secured Debt Agreements. If any Event of Default shall have occurred and be continuing, the Collateral Agent shall, at the time any proceeds of such insurance are distributed to the Secured Creditors, apply such proceeds in accordance with Section 6.4 hereof. Each Grantor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Grantor to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Grantor.

5.2 Warehouse Receipts Non-Negotiable. To the extent practicable, each Grantor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its Inventory, such Grantor shall request that such warehouse receipt or receipt in the nature thereof shall not be "negotiable" (as such term is used in Section 7-104 of the UCC as in effect in any relevant jurisdiction or under other relevant law).

5.3 Additional Information. Each Grantor will, at its own expense, from time to time upon the reasonable request of the Collateral Agent, promptly furnish to the Collateral Agent such information with respect to the Collateral (including the identity of the Collateral or such components thereof as may have been reasonably requested by the Collateral Agent, the value and location of such Collateral, etc.) as may be requested by the Collateral Agent.

5.4 Further Actions. Each Grantor will, at its own expense and upon the reasonable request of the Collateral Agent, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral; provided, that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral under the laws of any jurisdiction outside of the United States and Canada or (ii) enter into any control agreements or similar arrangements relating to any Deposit Account.

5.5 Financing Statements. Each Grantor agrees to deliver to the Collateral Agent such financing statements, in form reasonably acceptable to the Collateral Agent, as the Collateral Agent may from time to time reasonably request to establish and maintain a valid, enforceable, perfected security interest in the Collateral as provided herein and for the purpose of obtaining and preserving the full benefits of the other rights and security contemplated hereby at least to the extent described in Section 2.1. Each Grantor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Grantor hereby authorizes the Collateral Agent to file any such financing statements without the signature of such Grantor where permitted by law (and such authorization includes describing the Collateral as "all assets and all personal property whether now owned or hereafter acquired" of such Grantor or words of similar effect).

ARTICLE VI

REMEDIES UPON OCCURRENCE OF AN EVENT OF DEFAULT

6.1 Remedies; Obtaining the Collateral Upon Default . Each Grantor agrees that, subject to the terms of the ABL/Term Intercreditor Agreement, if any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent, in addition to any rights now or hereafter existing under applicable law and under the other provisions of this Agreement, shall have all rights as a secured creditor under any UCC, and such additional rights and remedies to which a secured creditor is entitled under the laws in effect in all relevant jurisdictions and may:

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

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Accounts and the Contracts) constituting the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent and may exercise any and all remedies of such Grantor in respect of such Collateral;

(iii) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof in accordance with Section 6.2 hereof, or direct such Grantor to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(iv) take possession of the Collateral or any part thereof, by directing such Grantor in writing to deliver the same to the Collateral Agent at any reasonable place or places designated by the Collateral Agent, in which event such Grantor shall at its own expense:

(a) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent;

(b) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent as provided in Section 6.2 hereof; and

(c) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition;

(v) license or sublicense, on a royalty free, rent basis, whether on an exclusive

or nonexclusive basis, any Intellectual Property included in the Collateral (in the case of Trademarks, subject to reasonable quality control and subject to those exclusive licenses granted by Grantors in effect on the date hereof and those granted by any Grantor hereafter to the extent permitted by the Credit Agreement) for such term and on such conditions and in such manner as the Collateral Agent shall in its sole judgment determine, it being understood that any such license, may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; provided, that any such license shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

(vi) apply any monies constituting Collateral or proceeds thereof in accordance with the provisions of Section 6.4; and

(vii) take any other action as specified in clauses (1) through (5), inclusive, of Section 9-607 of the UCC;

it being understood that each Grantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Grantor of said obligation. By accepting the benefits of this Agreement and each other Security Document, the Secured Creditors expressly acknowledge and agree that this Agreement and each other Security Document may be enforced only by the action of the Collateral Agent acting upon the instructions of the Required Secured Creditors and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent or the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Agreement and the other Security Documents.

6.2 Remedies; Disposition of the Collateral. To the extent permitted by applicable law, if any Event of Default shall have occurred and be continuing, then any Collateral repossessed by the Collateral Agent under or pursuant to Section 6.1 hereof and any other Collateral whether or not so repossessed by the Collateral Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair at the expense of the relevant Grantor which the Collateral Agent shall reasonably determine to be commercially reasonable. Any such sale, lease or other disposition may be effected by means of a public disposition or private disposition, effected in accordance with the applicable requirements (in each case if and to the extent applicable) of Sections 9-610 through 9-613 of the UCC and/or such other mandatory requirements of applicable law as may apply to the respective disposition. The Collateral Agent may, without notice or publication, adjourn any public or private disposition or cause the same to be adjourned

from time to time by announcement at the time and place fixed for the disposition, and such disposition may be made at any time or place to which the disposition may be so adjourned. To the extent permitted by any such requirement of law, the Collateral Agent may bid for and become the purchaser (and may pay all or any portion of the purchase price by crediting Obligations against the purchase price) of the Collateral or any item thereof, offered for disposition in accordance with this Section 6.2 without accountability to the relevant Grantor. Each Grantor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such disposition or dispositions of all or any portion of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at such Grantor's expense.

6.3 Waiver of Claims. Except as otherwise provided in this Agreement, EACH GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES, and each Grantor hereby further waives, to the extent permitted by law:

(a) all damages occasioned by such taking of possession or any such disposition except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision);

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(c) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Grantor.

6.4 Application of Proceeds.

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all moneys collected by the Collateral Agent (or, to the extent the Pledge Agreement or any other Security Document requires proceeds of collateral under such other Security Document to be applied in accordance with the provisions of this Agreement, the Pledgee under, and as defined in, the Pledge

Agreement, or collateral agent under such other Security Document) upon any sale or other disposition of the Collateral (or the collateral under the relevant Security Document), together with all other moneys received by the Collateral Agent hereunder (or under the relevant Security Document), in each case, as a result of the exercise of remedies by the Collateral Agent after the occurrence and during the continuance of an Event of Default, shall be applied as follows:

(i) first, to the payment of all amounts owing the Collateral Agent of the type described in clauses (ii), (iii) and (iv) of the definition of "Obligations";

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), to the payment of all amounts owing to any Agent or any of its Affiliates of the type described in clauses (iv) and (v) of the definition of "Obligations";

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Credit Document Obligations shall be paid to the Secured Creditors as provided in Section 6.4(c) hereof, with each Secured Creditor receiving an amount equal to its outstanding Credit Document Obligations or, if the proceeds are insufficient to pay in full all such Credit Document Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iv) fourth, to the extent proceeds remain after the application pursuant to preceding clauses (i) through (iii), inclusive, ratably to any other then remaining unpaid Obligations; and

(v) fifth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iv), inclusive, and following the termination of this Agreement pursuant to Section 9.8(a) hereof, to the relevant Grantor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, " Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Obligations, and the denominator of which is the then outstanding amount of all Obligations.

(c) All payments required to be made hereunder shall be made to the Administrative Agent for the account of the Secured Creditors.

(d) For purposes of applying payments received in accordance with this Section6.4, the Collateral Agent shall be entitled to rely upon the Administrative Agent for a determination (which the Administrative Agent agrees (or shall agree) to provide upon request of the Collateral Agent) of the outstanding Credit Document Obligations owed to the Secured Creditors.

(e) It is understood that the Grantors are and shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the Obligations.

6.5 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Collateral Agent shall be in addition to every other right, power and remedy specifically given to the Collateral Agent under this Agreement, the other Secured Debt Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence thereof. No notice to or demand on any Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

6.6 Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the relevant Grantor, the Collateral Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

ARTICLE VII

INDEMNITY

7.1 Indemnity and Expense Reimbursement.

(a) The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

7.2 Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement shall constitute Obligations secured by the Collateral. The indemnity obligations of each Grantor contained in the Credit Agreement shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, and Term Loans made, under the Credit Agreement and the payment of all other Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

ARTICLE VIII

DEFINITIONS

The following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

"Account" shall mean any "account" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Administrative Agent" shall have the meaning provided in the recitals of this Agreement.

"Agreement" shall mean this Security Agreement as the same may be amended, modified, restated and/or supplemented from time to time in accordance with its terms.

"As-Extracted Collateral" shall mean "as-extracted collateral" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Borrower" shall have the meaning provided in the recitals of this Agreement.

"Cash Collateral Account" shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Collateral Agent for the benefit of the Secured Creditors.

"Chattel Paper" shall mean "chattel paper" as such term is defined in the UCC as in effect on the date hereof in the State of New York. Without limiting the foregoing, the term "Chattel Paper" shall in any event include all Tangible Chattel Paper and all Electronic Chattel Paper.

"Collateral" shall have the meaning provided in Section 1.1(a) of this Agreement.

"Collateral Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Commercial Tort Claims" shall mean "commercial tort claims" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Compliance Certificate" shall mean a certificate delivered in accordance with Section 8.01(d) of the Credit Agreement.

"Contract Rights" shall mean all rights of any Grantor under each Contract, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"Contracts" shall mean all contracts between any Grantor and one or more additional

parties (including, without limitation, any Swap Contracts, contracts for Bank Products, licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements, and settlement agreements).

"Copyrights" shall mean all: (a) copyrights (whether statutory or common law, whether registered or unregistered and whether published or unpublished) all mask works (as such term is defined in 17 U.S.C. Section 901, et seq.), and all copyright registrations and applications therefor, including, without limitation, the copyright registrations and applications in the United States Copyright Office and the Canadian Intellectual Property Office listed in Annex H; (b) rights and privileges arising under applicable law with respect to such copyrights; and (c) renewals and extensions thereof and amendments thereto.

"Credit Agreement" shall have the meaning provided in the recitals of this Agreement.

"Credit Document Obligations" shall have the meaning provided in the definition of "Obligations" in this Article IX.

"Deposit Accounts" shall mean all "deposit accounts" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Documents" shall mean "documents" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Electronic Chattel Paper" shall mean "electronic chattel paper" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Equipment" shall mean any "equipment" as such term is defined in the UCC as in effect on the date hereof in the State of New York, and in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, fixtures and vehicles now or hereafter owned by any Grantor and any and all additions, substitutions and replacements of any of the foregoing and all accessions thereto, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" shall mean (x) at any time prior to the time at which all Credit Document Obligations have been paid in full (other than unasserted contingent indemnification obligations) and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (y) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"General Intangibles" shall mean "general intangibles" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Goods" shall mean "goods" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Grantor" shall have the meaning provided in the first paragraph of this Agreement.

"Instrument" shall mean "instruments" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Intellectual Property" shall mean all: (a) intellectual property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, Software, Trade Secrets, confidential or proprietary technical and business information and other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing; (b) rights corresponding to any of the foregoing throughout the world, including as provided by international treaties or conventions, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto; (c) income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect to any of the foregoing, including damages and payments for past and future infringements, misappropriations, or other violations thereof; and (d) rights to sue for past, present, and future infringements, misappropriations, or other violations of any of the foregoing, including the right to settle suits involving claims and demands for royalties owing.

"Inventory" shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof and all accessions thereto, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production from raw materials through work in process to finished goods, and all products and proceeds of whatever sort and wherever located any portion thereof which may be returned, rejected, reclaimed or repossessed by the Collateral Agent from any Grantor's customers, and shall specifically include all "inventory" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Investment Property" shall mean "investment property" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Lenders" shall have the meaning provided in the recitals of this Agreement.

"Letter-of-Credit Rights" shall mean "letter-of-credit rights" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Licenses" means any and all licenses, agreements, consents, orders, franchises and similar arrangements in respect of the licensing, development, use or disclosure of any Intellectual Property.

"Location" of any Grantor, shall mean such Grantor's "location" as determined pursuant to Section 9-307 of the UCC as in effect on the date hereof in the State of New York.

"Obligations" shall mean and include, as to any Grantor, all of the following:

(i) the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations (including all "Obligations" as defined in the Credit

Agreement), liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Grantor or any Subsidiary thereof at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), fees, costs and indemnities) of such Grantor owing to the Secured Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and the other Credit Documents to which such Grantor is a party (including, without limitation, in the event such Grantor is a Guarantor, all such obligations, liabilities and indebtedness of such Grantor under its Subsidiaries Guaranty) and the due performance and compliance by such Grantor with all of the terms, conditions and agreements contained in the Credit Agreement and in such other Credit Documents (all such obligations, liabilities and indebtedness under this clause (i), being herein collectively called the "Credit Document Obligations");

(ii) any and all sums advanced by the Collateral Agent in order to preserve the Collateral or preserve its security interest in the Collateral;

(iii) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of such Grantor referred to in clause (i) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable attorneys' fees and court costs;

(iv) all amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement under the Credit Agreement; and

(v) all amounts owing to any Agent or any of its Affiliates pursuant to any of the Credit Documents in its capacity as such;

it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

"Ordinary Course Transferees" shall mean: (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 9-320(a) and 9-321 of the UCC as in effect from time to time in the relevant jurisdiction, (ii) with respect to General Intangibles only, licensees in the ordinary course of business to the extent provided in Section 9-321 of the UCC as in effect from time to time in the relevant jurisdiction and (iii) any other Person who is entitled to take free of the Lien pursuant to the UCC as in effect from time to time in the relevant jurisdiction.

"Patents" shall mean all: (a) industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office or the Canadian Intellectual Property Office listed in Annex H, and (b) reissues, continuations,

divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto.

"Permits" shall mean, to the extent permitted to be assigned by the terms thereof or by applicable law, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any governmental authority or agency.

"Pro Rata Share" shall have the meaning provided in Section 7.4(b) of this Agreement.

"Proceeds" shall mean all "proceeds" as such term is defined in the UCC as in effect in the State of New York on the date hereof and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Recordable Intellectual Property" means (i) any Patent issued by or applied for issuance with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (ii) any Trademark registered or applied for registration with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (iii) any Copyright registered or applied for registration with the United States Copyright Office or the Canadian Intellectual Property Office and (iv) any material License granting to any Grantor any exclusive right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials pertaining to a Copyright registered with the United States Copyright Office or the Canadian Intellectual Property Office.

"Registered Organization" shall have the meaning provided in the UCC as in effect in the State of New York.

"Required Secured Creditors" shall mean at any time when any Credit Document Obligations are outstanding or any Commitments under the Credit Agreement exist, the Required Lenders (or, to the extent provided in Section 12.11 of the Credit Agreement, each of the Lenders).

"Secured Creditors" shall have the meaning provided in the recitals of this Agreement.

"Secured Debt Agreements" shall mean and include this Agreement and the other Credit Documents.

"Software" shall mean all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware

and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing.

"Supporting Obligations" shall mean any "supporting obligation" as such term is defined in the UCC as in effect on the date hereof in the State of New York, now or hereafter owned by any Grantor, or in which any Grantor has any rights.

"Tangible Chattel Paper" shall mean "tangible chattel paper" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Termination Date" shall have the meaning provided in Section 9.8(a) of this Agreement.

"Timber-to-be-Cut" shall mean "timber-to-be-cut" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Trade Secret Rights" shall mean the rights of a Grantor in any Trade Secret it holds.

"Trade Secrets" shall mean all confidential and proprietary information, including, without limitation, know-how, show-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, and all similar intellectual, industrial and intangible property.

"Trademarks" shall mean all: (a) trademarks, service marks, certification marks, domain names and associated URLs, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office and the Canadian Intellectual Property Office that are listed in Annex H, (b) all extensions or renewals of any of the foregoing, (c) goodwill associated therewith or symbolized thereby, (d) other assets, rights and interests that uniquely reflect or embody such goodwill, and (e) rights and privileges arising under applicable law with respect to the use of any of the foregoing.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

"Vehicles" shall mean all cars, trucks, construction and earth moving equipment covered by a certificate of title law of any state.

"Voting Equity Interests" shall mean (i) all classes of Equity Interests entitled to vote and (ii) any other Equity Interests treated as voting stock for purposes of Treasury Regulation Section

1.956-2(c)(2).

ARTICLE IX

MISCELLANEOUS

9.1 Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or any Grantor shall not be effective until received by the Collateral Agent or such Grantor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to any Grantor, c/o:

Bauer Performance Sports Ltd.
100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

(b) if to the Collateral Agent, at:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ronaldo Naval
Phone: 214-209-1162
Email: ronaldo.naval@baml.com
Fax Number: 877-511-6124

(c) if to any Secured Creditor (other than the Collateral Agent), at such address as such Secured Creditor shall have specified in the Credit Agreement;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

9.2 Waiver; Amendment. Except as provided in Sections 9.8 and 9.12, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any

manner whatsoever unless in writing duly signed by each Grantor directly affected thereby (it being understood that the addition or release of any Grantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Grantor other than the Grantor so added or released) and the Collateral Agent (with the written consent of the Required Secured Creditors).

9.3 Obligations Absolute. To the maximum extent permitted by applicable law, the obligations of each Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or any security for any of the Obligations; whether or not such Grantor shall have notice or knowledge of any of the foregoing.

9.4 Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 9.8, (ii) be binding upon each Grantor, its successors and assigns; provided, however, that no Grantor shall assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Grantor herein or in any certificate or other instrument delivered by such Grantor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

9.5 Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

9.6 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL .

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT (EXCEPT THAT, (X) IN THE CASE OF ANY COLLATERAL LOCATED IN ANY STATE OTHER THAN NEW YORK, PROCEEDINGS MAY BE BROUGHT BY THE ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN THE STATE IN WHICH THE RESPECTIVE COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING, WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY BE BROUGHT IN SUCH COURT HOLDING SUCH

BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING), OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH SUCH PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER IT. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 9.1 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER PRIOR TO THE TERMINATION DATE HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

9 . 7 Grantor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or with respect to any Collateral.

9.8 Termination; Release.

(a) After the Termination Date, this Agreement shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors (provided that all indemnities set forth herein including, without limitation in Section 8.1 hereof, shall survive such termination) and the Collateral Agent, at the request and expense of the respective Grantor, will promptly execute and deliver to such Grantor a proper instrument or instruments (including UCC termination statements on form UCC-3) acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the date upon which the Total Commitment under the Credit Agreement has been terminated and all Credit Document Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Term Loans thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted).

(b) In the event that, at any time prior to the Termination Date, any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 12.11 of the Credit Agreement), and the proceeds of such sale or disposition (or from such release) are applied in accordance with the terms of the Credit Agreement, to the extent required to be so applied, the Collateral Agent, at the request and expense of such Grantor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Collateral Agent and has not theretofore been released pursuant to this Agreement. Furthermore, upon the release of any Subsidiary Guarantor from the Subsidiaries Guaranty in accordance with the provisions thereof, such Grantor (and the Collateral at such time assigned by the respective Grantor pursuant hereto) shall be released from this Agreement.

(c) At any time that a Grantor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 9.8(b), such Grantor shall deliver to the Collateral Agent (and the relevant sub-agent, if any, designated hereunder) a certificate signed by a Responsible Officer of such Grantor stating that the release of the respective Collateral is permitted pursuant to such Section 9.8(b). At any time that either the

Borrower or the respective Grantor desires that a Subsidiary of the Borrower which has been released from the Subsidiaries Guaranty be released hereunder as provided in the last sentence of Section 9.8(b), it shall deliver to the Collateral Agent a certificate signed by a Responsible Officer of the Borrower and the respective Grantor stating that the release of the respective Grantor (and its Collateral) is permitted pursuant to such Section 9.8(b).

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 9.8.

9.9 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Collateral Agent. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

9.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.11 The Collateral Agent and the other Secured Creditors . The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Section 11 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Section 11 of the Credit Agreement.

9.12 Additional Grantors. It is understood and agreed that any Subsidiary Guarantor that desires to become a Grantor hereunder, or is required to execute a counterpart of this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Grantor hereunder by executing a counterpart hereof and delivering same to the Collateral Agent, or by executing and delivering to the Collateral Agent a joinder agreement in form and substance reasonably satisfactory to the Collateral Agent, (y) delivering supplements to Annexes A through F, inclusive, and H through K, inclusive, hereto as are necessary to cause such Annexes to be complete and accurate with respect to such additional Grantor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Grantor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Collateral Agent and with all documents and actions required above to be taken to the reasonable satisfaction of the Collateral Agent.

9.13 ABL/Term Intercreditor Agreement. This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Collateral Agent (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement.

[Remainder of this page intentionally left blank; signature page follows]

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

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS INC.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

MISSION ITECH HOCKEY, INC.

By: _____
Name:
Title:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
SECURITY AGREEMENT

SCHEDULE OF CHIEF EXECUTIVE OFFICES

Name of Grantor	Address(es) of Chief Executive Office
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]

ANNEX B
to
SECURITY AGREEMENT

SCHEDULE OF INVENTORY AND EQUIPMENT LOCATIONS

[Signature Page to the Term Loan Security Agreement]

ANNEX C
to
SECURITY AGREEMENT

SCHEDULE OF LEGAL NAMES, TYPE OF ORGANIZATION
(AND WHETHER A REGISTERED ORGANIZATION), JURISDICTION OF ORGANIZATION, LOCATION AND ORGANIZATIONAL IDENTIFICATION NUMBERS

Exact Legal Name of Each Grantor	Type of Organization (or, if the Grantor is an Individual, so indicate)	Registered Organization? (Yes/No)	Jurisdiction of Organization	Grantor's Location (for purposes of NY UCC § 9-307)	Grantor's Organization Identification Number (or, if it has none, so indicate)

[Signature Page to the Term Loan Security Agreement]

ANNEX D
to
SECURITY AGREEMENT

SCHEDULE OF TRADE AND FICTITIOUS NAMES

Name of Grantor	Trade and/or Fictitious Names
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX E
to
SECURITY AGREEMENT

DESCRIPTION OF CERTAIN SIGNIFICANT TRANSACTIONS OCCURRING WITHIN
ONE YEAR PRIOR TO THE DATE OF THE SECURITY AGREEMENT

Name of Grantor	Description of any Transactions as Required by Section 2.8 of the Security Agreement
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX G
to
SECURITY AGREEMENT

DESCRIPTION OF COMMERCIAL TORT CLAIMS

Name of Grantor	Description of Commercial Tort Claim
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX H
to
SECURITY AGREEMENT

SCHEDULE OF RECORDABLE INTELLECTUAL PROPERTY

1. Registered Trademarks:

MARK	REGISTRATION DATE	REGISTRATION NO.	OWNER

2. Applications for Trademarks:

MARK	APPLICATION DATE	SERIAL NO.	APPLICANT

3. Domain Names:

DOMAIN NAME	REGISTRATION DATA	REGISTRANT

4. Patents:

TITLE	ISSUE DATE	PATENT NO.	REGISTERED OWNER

5. Patent Applications:

TITLE	FILING DATE	APPLICATION NO.	APPLICANT

6. Registered Copyrights:

TITLE	DATE FILED	REGISTRATION NO.	REGISTERED OWNER

7. Copyright Applications:

TITLE	DATE FILED	APPLICATION NO.	APPLICANT

8. Exclusive Licenses:

DATE	LICENSOR	LICENSEE	TITLE	APPLICATION / REGISTRATION NO.

ANNEX K
to
SECURITY AGREEMENT

NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, [Name of Grantor], a _____ _____ (the "Grantor") with principal offices at _____, hereby pledges and grants to Bank of America, N.A., as Collateral Agent, with principal offices at [_____], (the "Grantee"), for the benefit of the Secured Creditors (as such term is defined in the Security Agreement referred to below), a continuing security interest in all of the right, title and interest of such Grantor in, to and under (i) (a) all trademarks, service marks, certification marks, domain names, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, and all extensions or renewals thereof, including without limitation any of the foregoing set forth in Schedule A hereto, (b) all goodwill associated therewith or symbolized thereby, (c) all other assets, rights and interests that uniquely reflect or embody such goodwill, (d) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (e) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, and all other Proceeds

(as such term is defined in the Security Agreement referred to below), (f) rights to sue for past, present and future infringements, dilutions or other violations thereof, and (g) rights corresponding thereto throughout the world, (collectively, the "Trademark Collateral"); provided that the Trademark Collateral shall not include any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law.

THIS GRANT is made to secure the prompt and complete payment and performance when due of all the Obligations of the Grantor, as such term is defined in the Security Agreement among the Grantor, the other Grantors from time to time party thereto and the Grantee, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Trademark Collateral acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement and is expressly subject to the terms and conditions thereof. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference as if fully set forth herein. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

This Grant is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Security Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Grant, the terms of ABL/Term Intercreditor Agreement shall govern.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the ____ day of _____, ____.

[NAME OF GRANTOR], Grantor

By: ____

Name:
Title:

Bank of America, N.A.,
as Collateral Agent and Grantee

By: ____

Name:
Title:

SCHEDULE A

1. Registered Trademarks:

MARK	REGISTRATION DATE	REGISTRATION NO.	OWNER

2. Applications for Trademarks:

MARK	APPLICATION DATE	SERIAL NO.	APPLICANT

ANNEX L
to
SECURITY AGREEMENT

NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES PATENTS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, [Name of Grantor], a _____ _____ (the "Grantor") with principal offices at _____, hereby pledges and grants to Bank of America, N.A., as Collateral Agent, with principal offices at [_____], (the "Grantee"), for the benefit of the Secured Creditors (as such term is defined in the Security Agreement referred to below), a continuing security interest in all of the right, title and interest of such Grantor in, to and under (i) (a) all industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office, including those set forth in Schedule A hereto, (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto, (c) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, and all other Proceeds (as such term is defined in the Security Agreement referred to below), (d) rights to sue for past, present or future infringements or other violations thereof, and (e) rights corresponding thereto throughout the world (collectively, the "Patent Collateral").

THIS GRANT is made to secure the prompt and complete payment and performance when due of all the Obligations of the Grantor, as such term is defined in the Security Agreement among the Grantor, the other Grantors from time to time party thereto and the Grantee, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement").

Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Patent Collateral acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement and is expressly subject to the terms and conditions thereof. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference as if fully set forth herein. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

This Grant is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Security Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Grant, the terms of ABL/Term Intercreditor Agreement shall govern.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the ____ day of _____, ____.

[NAME OF GRANTOR], Grantor

By: ____

Name:
Title:

Bank of America, N.A.,
as Collateral Agent and Grantee

By: ____

Name:
Title:

SCHEDULE A

1. Patents:

TITLE	ISSUE DATE	PATENT NO.	REGISTERED OWNER

2. Patent Applications:

TITLE	FILING DATE	APPLICATION NO.	APPLICANT

ANNEX M
to
SECURITY AGREEMENT

NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES COPYRIGHTS

WHEREAS, [Name of Grantor], a _____ _____ (the " Grantor"), having its chief executive office at _____, _____, is the owner of all right, title and interest in, to and under the United States copyrights, copyright registrations and applications for registration set forth in Schedule A attached hereto ("Copyrights");

WHEREAS, Bank of America, N.A., as Collateral Agent, having its principal offices at [_____] (the "Grantee"), desires to acquire a security interest in the Copyrights; and

WHEREAS, the Grantor is willing to grant to the Grantee a security interest in and lien upon the Copyrights.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the Security Agreement, dated as of April 15, 2014, made by the Grantor, the other Grantors from time to time party thereto and the Grantee (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"), the Grantor hereby pledges and grants to the Grantee, for the benefit of the Secured Creditors (as such term is defined in the Security Agreement), a continuing security interest in all of the right, title and interest of such Grantor in, to and under the Copyrights.

Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantor shall execute, acknowledge and deliver to the Grantee an instrument in writing releasing the security interest in the Copyrights acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement and is expressly subject to the terms and conditions thereof. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference as if fully set forth herein. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

This Grant is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Security Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Grant, the terms of ABL/Term Intercreditor Agreement shall govern.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the ____ day of _____, ____.

[NAME OF GRANTOR], Grantor

By: ____
Name:
Title:

Bank of America, N.A.,
as Collateral Agent and Grantee

By: ____
Name:
Title:

SCHEDULE A

1. Registered Copyrights:

TITLE	DATE FILED	REGISTRATION NO.	REGISTERED OWNER

EXHIBIT G-2

FORM OF CANADIAN SECURITY AGREEMENT

[See Attached.]

TERM LOAN CANADIAN SECURITY AGREEMENT

among

BAUER PERFORMANCE SPORTS LTD.,
CERTAIN SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.
and

BANK OF AMERICA, N.A.,

as COLLATERAL AGENT

_____

Dated as of April 15, 2014

_____

TABLE OF CONTENTS

CANADIAN SECURITY AGREEMENT

CANADIAN SECURITY AGREEMENT, dated as of April 15, 2014 made by each of the undersigned grantors (each, a "Grantor" and, together with any other entity that becomes a grantor hereunder pursuant to Section 9.12 hereof, the " Grantors") in favour of Bank of America, N.A., as Collateral Agent (together with any successor Collateral Agent, the " Collateral Agent"), for the benefit of the Secured Creditors (as defined below). Certain capitalized terms as used herein are defined in Article IX hereof. Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Bauer Performance Sports Ltd. (the "Borrower") and various lenders party thereto from time to time (the "Lenders") and Bank of America, N.A., as administrative agent and collateral agent (together with any successor administrative agent or collateral agent, the "Administrative Agent") have entered into a Term Loan Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making of Term Loans to the Borrower, as contemplated therein (the Lenders, the Administrative Agent, the Collateral Agent and each other Agent are herein called the "Secured Creditors");

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations;

WHEREAS, it is a condition precedent to the making of Term Loans to the Borrower under the Credit Agreement that each Grantor shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each Grantor will obtain benefits from the incurrence of Term Loans by the Borrower under the Credit Agreement and accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Term Loans to the Borrower;

NOW, THEREFORE, in consideration of the benefits accruing to each Grantor, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

ARTICLE I

SECURITY INTERESTS

1.1 Grant of Security Interests.

(a) As security for the prompt and complete payment or performance, as the case may be, when due of all of its Obligations, each Grantor does hereby pledge, assign, mortgage, charge and grant to the Collateral Agent, for the benefit of the Secured Creditors, as and by way of a fixed and specific mortgage and charge, and grants to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest in, all of its present and after-acquired personal property, including, without limiting the foregoing, all of its right, title and interest in, to and under all of the following personal property and fixtures (and all rights therein), or in which or to which it has any rights, in each case whether now existing or hereafter from time to time acquired (but excluding any Excluded Collateral (as defined below)):

(i) each and every Account, including all claims of any kind that such Grantor has, including claims against the Crown and claims under insurance policies;

(ii) the Cash Collateral Account and all Money, Securities, Instruments and other investments deposited or required to be deposited in the Cash Collateral Account;

(iii) all Chattel Paper;

(iv) all Contracts, together with all Contract Rights arising thereunder;

(v) all Equipment and fixtures;

(vi) all Deposit Accounts and all Money, Securities, Instruments and other investments deposited or required to be deposited in any of the foregoing;

(vii) all Documents of Title;

(viii) all Financial Assets;

(ix) all Goods;

(x) all Instruments;

(xi) all Intangibles;

(xii) all Intellectual Property

(xiii) all Inventory;

(xiv) all Investment Property, including shares, stock, warrants, bonds, debentures, debenture stock and other Securities (in each case whether evidenced by a Security Certificate or an Uncertificated Security) and Security Entitlements, Securities Accounts, Futures Contracts and Futures Accounts;

(xv) all rights in letters of credit (whether or not the respective letter of credit is evidenced by a writing);

(xvi) all Money;

(xvii) all Patents;

(xviii) all Permits;

(xix) with respect to the foregoing, all parts, components, renewals, substitutions and replacements of that property and all attachments, accessories and increases, additions and Accessions to that property; and

(xx) all Proceeds and products of any and all of the foregoing, including property in any form derived directly or indirectly from any dealing with such property (all of the above, the "Collateral").

(b) The security interest of the Collateral Agent under this Agreement extends to all Collateral that any Grantor may acquire, or with respect to which any Grantor may obtain rights, at any time during the term of this Agreement.

1.2 Certain Exceptions. Notwithstanding Section 1.1, no security interest is or will be granted pursuant hereto in any right, title or interest of any Grantor under or in (each of (a) through (o) collectively, the "Excluded Collateral"):

(a) any leases, licenses, Instruments, Contracts, Chattel Paper, Intangibles, Permits, governmental licenses, provincial, territorial or local franchises, charters or authorizations or other contracts or agreements (other than an Account or Chattel Paper) with or issued by Persons other than the Borrower or Subsidiaries of the Borrower or an Affiliate thereof (collectively, " Excluded Agreements ") that would otherwise be included in the Collateral (and such Excluded Agreements shall not be deemed to constitute a part of the Collateral) for so long as, and to the extent that, the granting of such a security interest pursuant hereto would invalidate or result in a violation, breach, default or termination of such Excluded Agreements or create a right of termination in favour of, or require the consent of, any party thereto (in each case other than the Borrower or a Subsidiary Guarantor) (in each case, except to the extent any such violation, breach, default, termination, right or consent would be rendered ineffective under the PPSA or other applicable law); provided, however, that a security interest in an Excluded Agreement in favour of the Secured Creditors shall attach immediately (i) at such time as Grantor's grant of a security interest in such Excluded Agreement no longer results in a violation, breach, default or termination thereof or thereunder or no longer creates such right of termination or such right has been waived or requires such consent or such consent has been obtained, (ii) to the extent severable, to any portion of such Excluded Agreement that does not result in a respective violation, breach, default, termination or right or consent thereof or thereunder and (iii) to any proceeds or receivables of such Excluded Agreement that are not Excluded Collateral;

(b) any Consumer Goods;

(c) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law;

(d) any Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods to the extent that any valid and enforceable law or regulation applicable to such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods prohibit the creation of a security interest therein, except to the extent such prohibition is unenforceable after giving effect to the applicable provisions of the PPSA or other applicable law;

(e) other than Equity Interests in **[Redacted – Name of Subsidiary]** , those assets located outside of the United States and Canada (solely to the extent action would be required in such other jurisdictions to obtain such security interests);

(f) those Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods as to which the Administrative Agent and the Lead Borrower reasonably agree in a writing to the Collateral Agent that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby;

(g) (a) any fee-owned real property with a fair market value less than $5,000,000 and (b) all leasehold interests in real property;

(h) any Equity Interests in (i) a joint venture or other non-Wholly-Owned Subsidiary to the extent that granting a security interest in or Lien on such Equity Interests is not permitted by the governing documents of such joint venture or other non-Wholly-Owned Subsidiary or would require the consent of any Person who owns Equity Interests in such joint venture or non-Wholly-Owned Subsidiary which (other than any Grantor or its Subsidiaries) consent has not been obtained, (ii) Subsidiaries that are not directly owned by a Grantor, and (iii) Unrestricted Subsidiaries;

(i) any margin stock;

(j) any motor vehicles and assets subject to certificates of title (other than to the extent such rights can be perfected by the filing of a financing statement under the PPSA);

(k) cash that secures any letters of credit outstanding and permitted to be outstanding and secured pursuant to the terms of the Credit Agreement; and

(l) any of the following:

(1) any Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods that would otherwise be included in the

Collateral (and such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods shall not be deemed to constitute a part of the Collateral) if such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods have been sold or otherwise transferred in connection with a sale-leaseback transaction permitted under Section 9.02(xi) of the Credit Agreement, or are subject to any Liens permitted under Section 9.01(vii) of the Credit Agreement, or constitute the Proceeds or products of any Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods that have been so sold or otherwise transferred, in each case in accordance with the terms of the Credit Agreement, so long as such Proceeds or products remain subject to the Liens referenced above in this clause (1); and

(2) any property or asset that would otherwise be included in the Collateral (and such property or asset shall not be deemed to constitute a part of the Collateral) if such property or assets is subject to a Lien permitted by Section 9.01(xiv) of the Credit Agreement;

in each case pursuant to preceding clauses (l)(1) through (2), for so long as, and to the extent that, the granting or existence of such a security interest pursuant hereto would result in a breach, default or termination of any agreement relating to the respective Lien or obligations secured thereby (in each case, except to the extent any such breach, default or termination would be rendered ineffective under the PPSA or other applicable law); provided that immediately upon repayment of the Indebtedness and/or other monetary obligation secured by a Lien referenced in clauses (l)(1) through (2), the relevant Grantor shall be deemed to have granted a security interest in all of its rights, title and interests under or in such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods that are the subject of such Lien;

provided, however, that Excluded Collateral shall not include any Proceeds, substitutions or replacements of any Excluded Collateral referred to in any of clauses (a) through (l) (unless such Proceeds, substitutions or replacements would constitute Excluded Collateral referred to in any of clauses (a) through (l)).

1.3 Trademarks. The security interest with respect to trademarks constitutes a security interest in, and a charge and pledge of, such Collateral in favour of the Collateral Agent, for the benefit of the Secured Creditors, but does not constitute an assignment or mortgage of such Collateral to the Collateral Agent or any Secured Creditor.

1.4 Attachment. Each Grantor has rights in its Collateral and agrees that the Secured Creditors have given value and that the security interests created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon such Grantor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Collateral Agent. In each case, the parties do not intend to postpone the attachment of any security interests created by this Agreement.

1.5 Power of Attorney. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of such Grantor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to such Grantor under or arising out of the Collateral, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be reasonably necessary or advisable to protect the interests of the Secured Creditors, which appointment as attorney is coupled with an interest.

1.6 In Addition to Other Rights; No Marshalling. This Agreement is in addition to and is not in any way prejudiced by or merged with any other security interest or Lien now or subsequently held by the Collateral Agent in respect of any Obligations. The Secured Creditors shall be under no obligation to marshal in favour of the Grantors any other security interest or Lien or any money or other property that the Secured Creditors may be entitled to receive or may have a claim upon.

ARTICLE II

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Grantor represents and warrants as of the date hereof, and, until the Termination Date, covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1 Necessary Perfection Action. The security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral for the benefit of the Collateral Agent and the Secured Creditors is a valid security interest and Lien upon such Grantor's right, title and interest in and to the Collateral. Upon (A) the filing of the PPSA and UCC financing statements in the appropriate jurisdictions set forth on Annexes A, B and C, (B) the recordation of Annex H in the Canadian Intellectual Property Office, and (C) the receipt by the Collateral Agent of all instruments, chattel paper and certificated pledged Equity Interests constituting Collateral in suitable form for transfer by delivery or accompanied by instruments of transfer or assignment duly executed in blank, such security interest and Lien shall be perfected in all of the Collateral in which a security interest may be perfected by filing, recording or registering a PPSA financing statement or analogous document in Canada (or any political subdivision thereof) and its territories and possessions pursuant to the PPSA or other applicable law in such jurisdictions and in which a security interest may be perfected upon the receipt and recording of this Agreement (or a short form hereof) with the Canadian Intellectual Property Office; provided, however, that additional filings may be necessary to perfect the Collateral Agent's security interest in, and Lien on, any Recordable Intellectual Property acquired after the date hereof.

Upon the actions taken under this Section 2.1, such security interest will be superior to and prior to all other Liens of all other Persons (other than Permitted Liens), and, subject to the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement, enforceable as such as against all other Persons (except to the extent that the enforceability thereof may be limited

by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) other than Ordinary Course Transferees.

2.2 No Liens. Such Grantor is, and as to all Collateral acquired by it from time to time after the date hereof will be, the owner of, or otherwise have the right to use, all Collateral free from any Lien of any Person (other than Permitted Liens), and such Grantor shall, at its own expense, take all commercially reasonable actions necessary to defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein materially adverse to the Collateral Agent.

2.3 Other Financing Statements. As of the date hereof, no Grantor has filed, nor authorized the filing by any third party of any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than financing statements filed in respect of Permitted Liens), and so long as the Termination Date has not occurred, such Grantor will not authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Grantor or in connection with Permitted Liens.

2.4 Chief Executive Office, Record Locations. The chief executive office of such Grantor is, on the date of this Agreement, located at the address indicated on Annex A hereto for such Grantor. During the period of the four calendar months preceding the date of this Agreement, the chief executive office of such Grantor has not been located at any address other than that indicated on Annex A in accordance with the immediately preceding sentence, in each case unless each such other address is also indicated on Annex A hereto for such Grantor.

2.5 Locations of Collateral. All Inventory, Equipment and other tangible personal property (having a fair market value in excess of $100,000 with respect to Collateral comprising Equipment only) held on the date hereof, or held at any time during the four calendar months prior to the date hereof, by each Grantor, other than Inventory in transit or Equipment moved in the ordinary course of business within the jurisdictions shown on Annex B hereto, is located at one of the locations shown on Annex B hereto for such Grantor. No Grantor shall permit any of its Inventory, Equipment or other tangible personal property to be located out of the jurisdictions shown on Annex B hereto for such Grantor without providing the Collateral Agent with 10 (ten) days advance written notice and promptly taking all action reasonably requested by the Collateral Agent to maintain the security interests of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected to the extent described in Section 2.1 and in full force and effect.

2.6 Legal Names; Type of Organization; Jurisdiction of Organization; Location; Organizational Identification Numbers; Federal Employer Identification Number; Changes Thereto; etc. As of the Closing Date, the exact legal name of each Grantor, the type of organization of such Grantor, the jurisdiction of organization of such Grantor, such Grantor's Location, the organizational identification number (if any) of such Grantor and the Federal Employer Identification Number of such Grantor (if any), is listed on Annex C hereto for such Grantor. Such Grantor shall not change

its legal name, its type of organization, its jurisdiction of organization, its Location, its organizational identification number (if any) or its Federal Employer Identification Number (if any) from that used on Annex C hereto, except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve (x) a registered organization ceasing to constitute same or (y) such Grantor changing its jurisdiction of organization or Location from Canada or a province or territory thereof to a jurisdiction of organization or Location, as the case may be, outside Canada or a province or territory thereof) if (i) it shall have given to the Collateral Agent written notice of each change to the information listed on Annex C (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex C which shall update all information contained therein for such Grantor within five (5) Business Days of such change (or such longer period as agreed to by the Collateral Agent) and (ii) in connection with such change or changes, it shall take all action reasonably requested by the Collateral Agent to maintain the security interests of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected to the extent described in Section 2.1 and in full force and effect. In addition, to the extent that such Grantor does not have an organizational identification number on the date hereof and later obtains one, such Grantor shall promptly thereafter notify the Collateral Agent of such organizational identification number and shall take all actions reasonably satisfactory to the Collateral Agent to the extent necessary to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby fully perfected to the extent described in Section 2.1 and in full force and effect.

2.7 Trade Names; Etc. Such Grantor has not and does not operate in any jurisdiction under, or in the preceding five (5) years has not operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name as specified in Annex C and such other trade or fictitious names as are listed on Annex D hereto for such Grantor.

2.8 Certain Significant Transactions. During the one year period preceding the date of this Agreement, no Person shall have merged, amalgamated or consolidated with or into any Grantor, and no Person shall have liquidated into, or transferred all or substantially all of its assets to, any Grantor, in each case except the mergers, amalgamations and consolidations contemplated by the Transaction and the mergers, amalgamations and consolidations described in Annex E hereto. With respect to any transactions so described in Annex E hereto, the respective Grantor shall have furnished such information with respect to the Person (and the assets of the Person and locations thereof) which merged with or into or amalgamated or consolidated with such Grantor, or was liquidated into or transferred all or substantially all of its assets to such Grantor, and shall have furnished to the Collateral Agent such PPSA and *Bank Act* (Canada) lien searches as may have been reasonably requested with respect to such Person and its assets, to establish that no security interest (excluding Permitted Liens) continues perfected on the date hereof with respect to any Person described above (or the assets transferred to the respective Grantor by such Person).

2.9 Consumer Goods. None of the Collateral consists of Consumer Goods.

2.10 Collateral in the Possession of a Bailee. If any Inventory or other Goods, the aggregate fair market value of which is equal to or greater than $1,000,000, are at any time in

the possession of a bailee, such Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the Credit Agreement furnish the Collateral Agent with written notice thereof and, if requested by the Collateral Agent after an Event of Default has occurred and is continuing, shall use its reasonable efforts to promptly obtain an acknowledgment from such bailee, in form and substance reasonably satisfactory to the Collateral Agent, that the bailee holds such Collateral for the benefit of the Collateral Agent and shall act upon the instructions of the Collateral Agent, without the further consent of such Grantor, subject to the ABL/Term Intercreditor Agreement. The Collateral Agent agrees with such Grantor that the Collateral Agent shall not give any such instructions unless an Event of Default has occurred and is continuing and upon notice from the Collateral Agent of its intent to exercise remedies.

2.11 Recourse. This Agreement is made with full recourse to each Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Grantor contained herein, in the Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

ARTICLE III

SPECIAL PROVISIONS CONCERNING ACCOUNTS; CONTRACT RIGHTS; INSTRUMENTS; CHATTEL PAPER AND CERTAIN OTHER COLLATERAL

3 . 1 Maintenance of Records. Each Grantor will keep and maintain proper books and records of its Accounts and Contracts, in which full, true and correct entries in conformity with generally accepted accounting principles and all Requirements of Law shall be made of all such Accounts and Contracts, and such Grantor will make the same available on such Grantor's premises to officers and designated representatives of the Collateral Agent for inspection in accordance with the terms and conditions set forth in the Credit Agreement. Upon the occurrence and during the continuance of an Event of Default and at the request of the Collateral Agent, such Grantor shall, at its own cost and expense, deliver all tangible evidence of its Accounts and Contract Rights (including, without limitation, all documents evidencing the Accounts and all Contracts) and such books and records to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Grantor). Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and if the Collateral Agent so requests, such Grantor shall legend, in form and manner satisfactory to the Collateral Agent, the Accounts and the Contracts, as well as books, records and documents (if any) of such Grantor evidencing or pertaining to such Accounts and Contracts with an appropriate reference to the fact that such Accounts and Contracts have been assigned to the Collateral Agent and that the Collateral Agent has a security interest therein.

3 . 2 Direction to Account Debtors; Contracting Parties; etc. Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, after giving notice to the relevant Grantor of its intent to do so, if the Collateral Agent so directs any Grantor, such Grantor agrees (i) to cause all payments on account of the Accounts and Contracts to be made directly to the Cash Collateral Account, (ii) that the Collateral Agent may, at its option, directly notify the obligors in its own name or in the name of others with

respect to any Accounts and/or under any Contracts to make payments with respect thereto as provided in the preceding clause (i), and (iii) that the Collateral Agent may enforce collection of any such Accounts and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Grantor; provided that, (x) any failure by the Collateral Agent to give or any delay in giving such notice to the relevant Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing. Subject to the terms of the ABL/Term Intercreditor Agreement, without notice to or assent by any Grantor, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account toward the payment of the Obligations in the manner provided in Section 6.5 of this Agreement. The reasonable costs and expenses of collection (including reasonable legal fees), whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor. The Collateral Agent shall deliver a copy of each notice referred to in the preceding clause (y) to the relevant Grantor, provided that (x) the failure by the Collateral Agent to so notify such Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing.

3.3 Modification of Terms; etc. Except in accordance with such Grantor's ordinary course of business and consistent with reasonable business judgment, or as permitted by Section 3.4 hereof or by the Credit Documents, no Grantor shall rescind or cancel any indebtedness evidenced by any Account, or modify any material term thereof or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Account, or interest therein, without the prior written consent of the Collateral Agent unless such rescissions, cancellations, modifications, adjustments, extensions, renewals, compromises, settlements, releases, or sales would not reasonably be expected to materially adversely affect the value of the Accounts constituting Collateral taken as a whole. Except as otherwise permitted by the Credit Documents, no Grantor will do anything to impair the rights of the Collateral Agent in the Accounts or Contracts.

3.4 Collection. Each Grantor shall endeavor in accordance with historical business practices to cause to be collected from the Account Debtor named in each of its Accounts or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account or under such Contract. Except as otherwise directed by the Collateral Agent after the occurrence and during the continuation of an Event of Default or otherwise required pursuant to the Credit Agreement, any Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Accounts and Contracts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Grantor finds appropriate in accordance with reasonable business judgment, (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Grantor

finds appropriate in accordance with reasonable business judgment and (iii) any other adjustments necessary or desirable in the Grantor's reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable legal fees) of collection, whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor.

3.5 Instruments. If any Grantor at any time holds or acquires any Instrument constituting Collateral with a face value in excess of $100,000 individually (other than cheques and other payment instruments received and collected in the ordinary course of business and promptly deposited into a Deposit Account), such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following such acquisition, notify the Collateral Agent thereof, and upon request by the Collateral Agent (subject to the ABL/Term Intercreditor Agreement), promptly deliver such Instrument to the Collateral Agent appropriately endorsed in blank or to the order of the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Instrument received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Instruments in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Instruments pursuant to the terms hereof, upon request of the Collateral Agent, such Instrument shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3 . 6 Grantors Remain Liable Under Accounts . Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Accounts to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Accounts. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3 . 7 Grantors Remain Liable Under Contracts . Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Contracts to observe and perform all of the conditions and obligations to be observed and performed by them thereunder, all in accordance with and pursuant to the terms and provisions of each Contract. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Contract by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency

of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3.8 Rights in Letters of Credit . If any Grantor is at any time a beneficiary under a letter of credit with a stated amount of $100,000 or more, such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following the creation of such letter of credit, notify the Collateral Agent thereof and, at the request of the Collateral Agent after an Event of Default has occurred and is continuing, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, use its commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under such letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Agreement after the occurrence and during the continuance of an Event of Default (it being understood that unless an Event of Default has occurred and is continuing such proceeds shall be released to such Grantor).

3 . 9 Chattel Paper. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor will promptly following any reasonable request by the Collateral Agent, deliver all of its Chattel Paper with a value in excess of $100,000 to the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Chattel Paper received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Chattel Paper in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Chattel Paper pursuant to the terms hereof, subject to the terms of the ABL/Term Intercreditor Agreement, upon request of the Collateral Agent, such Chattel Paper shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3.10 Further Actions. Each Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps, including any and all actions as may be necessary or required relating to its Accounts, Contracts, Instruments and other property or rights which constitute Collateral, as the Collateral Agent may reasonably require for the purpose of obtaining or preserving the full benefits of the security interests, rights and powers herein granted; provided that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account[; provided however, that upon the occurrence and during the continuance of an Event of Default (each such period, "the Default Period") and the Discharge of the ABL Obligations (as defined in the ABL/Term Intercreditor Agreement) in any

such Default Period, the Collateral Agent, during such Default Period (subject to the provisions of the ABL/Term Intercreditor Agreement) shall benefit from, and shall be entitled to, the "control" granted to the ABL Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) in any Deposit Account]. On request by the Collateral Agent, the Grantors shall provide the Collateral Agent with details of all motor vehicles which are classified as equipment of the Grantors and all other serial numbered goods to which provisions of the PPSA or regulations or orders under the PPSA regarding serial numbers apply, in each case, having a fair market value in excess of $100,000.

ARTICLE IV

SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY

4 . 1 Additional Representations and Warranties. Annex G hereto sets forth a complete and accurate list of all Recordable Intellectual Property that each Grantor owns. Each Grantor represents and warrants that it is the sole owner of all right, title and interest in all Recordable Intellectual Property listed in Annex G hereto. Each Grantor further warrants that it has no knowledge of any written third-party claim received by it within the last twelve (12) months that any such Grantor or aspect of such Grantor's present business operations infringes, misappropriates, dilutes or otherwise violates any Intellectual Property of any other Person other than as has not, and would not, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor represents and warrants that no Recordable Intellectual Property listed in Annex G hereto has been cancelled or is presently being opposed and, to such Grantor's knowledge, all such Recordable Intellectual Property is valid and subsisting, and such Grantor is not aware of any pending third-party claim that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said applications of Recordable Intellectual Property will not mature into registrations, other than would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor hereby grants to the Collateral Agent an absolute power of attorney to sign, solely upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office, any domain name registrar, the United States Copyright Office, the Canadian Intellectual Property Office or any other governmental authority in order to effect an assignment of all right, title and interest in any Intellectual Property constituting Collateral, and record the same.

4.2 Infringements. Each Grantor agrees, within 60 days of the end of each fiscal quarter, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available to such Grantor with respect to: (i) any party who such Grantor reasonably believes is infringing, misappropriating, diluting or otherwise violating any of such Grantor's rights in and to any Intellectual Property in any manner that would reasonably be expected to have a Material Adverse Effect, or (ii) any party claiming that any Grantor or the conduct of any Grantor's business infringes, misappropriates, dilutes or otherwise violates any Intellectual Property right of any third party in any manner that would reasonably be expected to have a Material Adverse Effect. Each Grantor further agrees to prosecute diligently in accordance with its reasonable business judgment, any Person infringing, misappropriating, diluting or otherwise violating any

Intellectual Property owned by it in any manner that would reasonably be expected to have a Material Adverse Effect.

4.3 Preservation of Trademarks. Each Grantor agrees to use its Trademarks that are material to such Grantor's business during the time in which this Agreement is in effect to the extent required by the laws of Canada or other jurisdiction, as applicable, to maintain its rights in such Trademarks and to take all such other actions as are reasonably necessary to preserve such Trademarks as trademarks or service marks under the laws of Canada or other jurisdiction, as applicable (other than any such Trademarks that are deemed by a Grantor in its reasonable business judgment to no longer be material to the conduct of such Grantor's business).

4.4 Maintenance of Registration. Each Grantor shall, at its own expense, diligently maintain all material Recordable Intellectual Property in accordance with its reasonable business judgment, including but not limited to filing affidavits of use and applications for renewals of registration for all of its material registered Trademarks and timely payment of all post-issuance fees required to maintain in force its rights under each issued Patent or registered Copyright, and shall pay all fees and disbursements in connection therewith and shall not abandon any such registration, filing of affidavit of use or application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Collateral Agent, not to be unreasonably withheld (other than with respect to registrations and applications deemed by such Grantor in its reasonable business judgment to be no longer prudent to pursue).

4.5 Prosecution of Applications. At its own expense, each Grantor, in accordance with its reasonable business judgment, shall diligently prosecute all material applications for (i) Canadian Patents listed in Annex G hereto and (ii) Copyrights listed in Annex G hereto, in each case for such Grantor and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies (other than applications that are no longer material or are deemed by such Grantor in its reasonable business judgment to no longer be necessary in the conduct of Grantor's business), absent written consent of the Collateral Agent not to be unreasonably withheld.

4.6 After-Acquired Intellectual Property. In the event that any Grantor, either itself or through any agent, employee, licensee or designee, files an application for or acquires any Recordable Intellectual Property following the date hereof, then the provisions of this Agreement shall automatically apply thereto and any such Intellectual Property (other than any Excluded Collateral) shall automatically constitute part of the Collateral and shall be subject to the Collateral Agent's security interest, without further action by any party, and such Grantor shall within 60 days of the end of each fiscal quarter execute and deliver any and all agreements, instruments, documents and papers as necessary to evidence and perfect the Collateral Agent's security interest in such Recordable Intellectual Property provided that such agreements, instruments, documents and papers (the "Writings") are consistent with the terms of and conditions of this Agreement and the Annex H and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such Writings, solely upon the occurrence and during the continuance of an Event of Default and solely for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until this Agreement is terminated.

ARTICLE V

PROVISIONS CONCERNING ALL COLLATERAL

5.1 Protection of Collateral Agent's Security. Except as otherwise permitted by the Secured Debt Agreements, each Grantor will do nothing to impair the rights of the Collateral Agent in the Collateral. Each Grantor or an affiliate on behalf of such Grantor will at all times maintain insurance, at such Grantor's own expense to the extent and in the manner provided in the Secured Debt Agreements. If any Event of Default shall have occurred and be continuing, the Collateral Agent shall, at the time any proceeds of such insurance are distributed to the Secured Creditors, apply such proceeds in accordance with Section 6.5 hereof. Each Grantor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Grantor to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Grantor.

5.2 Warehouse Receipts Non-Negotiable. To the extent practicable, each Grantor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its Inventory, such Grantor shall request that such warehouse receipt or receipt in the nature thereof shall not be a "negotiable" document of title (as such term is used in Section 26(1) of the PPSA as in effect in any relevant jurisdiction or under other relevant law).

5.3 Additional Information. Each Grantor will, at its own expense, from time to time upon the reasonable request of the Collateral Agent, promptly furnish to the Collateral Agent such information with respect to the Collateral (including the identity of the Collateral or such components thereof as may have been reasonably requested by the Collateral Agent, the value and location of such Collateral, etc.) as may be requested by the Collateral Agent.

5.4 Further Actions. Each Grantor will, at its own expense and upon the reasonable request of the Collateral Agent, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral; provided, that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral under the laws of any jurisdiction outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account.

5.5 Financing Statements. Each Grantor agrees to file such financing statements, in form reasonably acceptable to the Collateral Agent, as the Collateral Agent may from time to time reasonably request to establish and maintain a valid, enforceable, perfected security interest in the Collateral as provided herein and for the purpose of obtaining and preserving the full benefits of the other rights and security contemplated hereby at least to the extent described in Section 2.1.

Each Grantor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Grantor hereby authorizes the Collateral Agent to file any such financing statements without the signature of such Grantor where permitted by law (and such authorization includes describing the Collateral as "all present and after-acquired personal property" of such Grantor or words of similar effect). Each Grantor waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law.

ARTICLE VI

REMEDIES UPON OCCURRENCE OF AN EVENT OF DEFAULT

6.1 Remedies; Obtaining the Collateral Upon Default. Each Grantor agrees that, subject to the terms of the ABL/Term Intercreditor Agreement, if any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent, in addition to any rights now or hereafter existing under applicable law and under the other provisions of this Agreement, shall have all rights as a secured party under any PPSA, any UCC, and such additional rights and remedies to which a secured party is entitled under the laws in effect in all relevant jurisdictions and may:

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

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Accounts and the Contracts) constituting the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent and may exercise any and all remedies of such Grantor in respect of such Collateral;

(iii) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof in accordance with Section 6.2 hereof, or direct such Grantor to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(iv) take possession of the Collateral or any part thereof, by directing such Grantor in writing to deliver the same to the Collateral Agent at any reasonable place or places designated by the Collateral Agent, in which event such Grantor shall at its own expense:

(a) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent;

(b) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent as provided in Section 6.2 hereof; and

(c) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition;

(v) license or sublicense, on a royalty free, rent basis, whether on an exclusive or nonexclusive basis, any Intellectual Property included in the Collateral (in the case of Trademarks, subject to reasonable quality control and subject to those exclusive licenses granted by Grantors in effect on the date hereof and those granted by any Grantor hereafter to the extent permitted by the Credit Agreement) for such term and on such conditions and in such manner as the Collateral Agent shall in its sole judgment determine, it being understood that any such license may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; provided, that any such license shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

(vi) apply any monies constituting Collateral or proceeds thereof in accordance with the provisions of Section 6.5; and

(vii) take any other action as specified in the PPSA;

it being understood that each Grantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Grantor of said obligation. By accepting the benefits of this Agreement and each other Security Document, the Secured Creditors expressly acknowledge and agree that this Agreement and each other Security Document may be enforced only by the action of the Collateral Agent acting upon the instructions of the Required Secured Creditors and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent or the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Agreement and the other Security Documents.

6.2 Remedies; Disposition of the Collateral. To the extent permitted by applicable law, if any Event of Default shall have occurred and be continuing, then any Collateral repossessed by the Collateral Agent under or pursuant to Section 6.1 hereof and any other Collateral whether or not so repossessed by the Collateral Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed

when taken by the Collateral Agent or after any overhaul or repair at the expense of the relevant Grantor which the Collateral Agent shall reasonably determine to be commercially reasonable. Any such sale, lease or other disposition may be effected by means of a public disposition or private disposition, effected in accordance with the applicable requirements (in each case if and to the extent applicable) of the PPSA and/or such other mandatory requirements of applicable law as may apply to the respective disposition. The Collateral Agent may, without notice or publication, adjourn any public or private disposition or cause the same to be adjourned from time to time by announcement at the time and place fixed for the disposition, and such disposition may be made at any time or place to which the disposition may be so adjourned. To the extent permitted by any such requirement of law, the Collateral Agent may bid for and become the purchaser (and may pay all or any portion of the purchase price by crediting Obligations against the purchase price) of the Collateral or any item thereof, offered for disposition in accordance with this Section 6.2 without accountability to the relevant Grantor. The Collateral Agent may also accept the Collateral in satisfaction of the Obligations. Each Grantor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such disposition or dispositions of all or any portion of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at such Grantor's expense.

6.3 Remedies; Receiver. The Collateral Agent may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral. The Collateral Agent may remove any receiver appointed by it and appoint another in its place, and may determine the remuneration, acting reasonably, of any receiver, which may be paid from the proceeds of the Collateral in priority to other Obligations. Any receiver appointed by the Collateral Agent shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Collateral Agent under this Agreement, the PPSA or otherwise. Any receiver shall be deemed the agent of the Grantors and the Collateral Agent shall not be in any way responsible for any misconduct or negligence of any receiver.

6.4 Waiver of Claims. Except as otherwise provided in this Agreement, EACH GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES, and each Grantor hereby further waives, to the extent permitted by law:

(a) all damages occasioned by such taking of possession or any such disposition except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision);

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(c) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Grantor.

6.5 Application of Proceeds.

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all moneys collected by the Collateral Agent (or, to the extent the Pledge Agreement or any other Security Document requires proceeds of collateral under such other Security Document to be applied in accordance with the provisions of this Agreement, the Pledgee under, and as defined in, the Pledge Agreement, or collateral agent under such other Security Document) upon any sale or other disposition of the Collateral (or the collateral under the relevant Security Document), together with all other moneys received by the Collateral Agent hereunder (or under the relevant Security Document), in each case, as a result of the exercise of remedies by the Collateral Agent after the occurrence and during the continuance of an Event of Default, shall be applied as follows:

(i) first, to the payment of all amounts owing the Collateral Agent of the type described in clauses (ii), (iii) and (iv) of the definition of "Obligations";

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), to the payment of all amounts owing to any Agent or any of its Affiliates of the type described in clauses (iv) and (v) of the definition of "Obligations";

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Credit Document Obligations shall be paid to the Secured Creditors as provided in Section 6.5(c) hereof, with each Secured Creditor receiving an amount equal to its outstanding Credit Document Obligations or, if the proceeds are insufficient to pay in full all such Credit Document Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iv) fourth, to the extent proceeds remain after the application pursuant to preceding clauses (i) through (iii), inclusive, ratably to any other then remaining unpaid Obligations; and

(v) fifth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iv), inclusive, and following the termination of this Agreement pursuant to Section 9.8(a) hereof, to the relevant Grantor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, " Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Obligations, and the denominator of which is the then outstanding amount of all Obligations.

(c) All payments required to be made hereunder shall be made to the Administrative Agent for the account of the Secured Creditors.

(d) For purposes of applying payments received in accordance with this Section 6.5, the Collateral Agent shall be entitled to rely upon the Administrative Agent for a determination (which the Administrative Agent agrees (or shall agree) to provide upon request of the Collateral Agent) of the outstanding Credit Document Obligations owed to the Secured Creditors.

(e) It is understood that the Grantors are and shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the Obligations.

6.6 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Collateral Agent shall be in addition to every other right, power and remedy specifically given to the Collateral Agent under this Agreement, the other Secured Debt Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence thereof. No notice to or demand on any Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover reasonable expenses, including reasonable legal fees, and the amounts thereof shall be included in such judgment.

6.7 Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the relevant Grantor, the Collateral Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

ARTICLE VII

INDEMNITY

7.1 Indemnity and Expense Reimbursement.

(a) The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

7.2 Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement shall constitute Obligations secured by the Collateral. The indemnity obligations of each Grantor contained in the Credit Agreement shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, and Term Loans made, under the Credit Agreement and the payment of all other Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

ARTICLE VIII

DEFINITIONS

The following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

"Administrative Agent" shall have the meaning provided in the recitals of this Agreement.

"Agreement" shall mean this Canadian Security Agreement as the same may be amended, modified, restated and/or supplemented from time to time in accordance with its terms.

"Borrower" shall have the meaning provided in the recitals of this Agreement.

"Cash Collateral Account" shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Collateral Agent for the benefit of the Secured Creditors.

"Collateral" shall have the meaning provided in Section 1.1(a) of this Agreement.

"Collateral Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Compliance Certificate" shall mean a certificate delivered in accordance with Section 8.01(d) of the Credit Agreement.

"Contract Rights" shall mean all rights of any Grantor under each Contract, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any

and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"Contracts" shall mean all contracts between any Grantor and one or more additional parties (including, without limitation, any Swap Contracts, contracts for Bank Products, licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements, and settlement agreements).

"Copyrights" shall mean all: (a) copyrights (whether statutory or common law, whether registered or unregistered and whether published or unpublished), and all copyright registrations and applications therefor, including, without limitation, the copyright registrations and applications in the United States Copyright Office and the Canadian Intellectual Property Office listed on Annex G; (b) rights and privileges arising under applicable law with respect to such copyrights; and (c) renewals and extensions thereof and amendments thereto.

"Credit Agreement" shall have the meaning provided in the recitals of this Agreement.

"Credit Document Obligations" shall have the meaning provided in the definition of "Obligations" in this Article IX.

"Deposit Accounts" shall mean all deposit, demand, time, savings, cash management, passbook or other similar accounts with a bank, credit union, trust company, similar financial institution or other Person and all accounts and sub-accounts relating to any of the foregoing accounts.

"Equipment" shall mean any "equipment" as such term is defined in the PPSA, and in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, fixtures and motor vehicles now or hereafter owned by any Grantor and any and all additions, substitutions and replacements of any of the foregoing and all Accessions thereto, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" shall mean (x) at any time prior to the time at which all Credit Document Obligations have been paid in full (other than unasserted contingent indemnification obligations) and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (y) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"Grantor" shall have the meaning provided in the first paragraph of this Agreement.

"Intellectual Property" shall mean all: (a) intellectual property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Software, Trade Secrets, Trademarks, confidential or proprietary technical and business information and other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and Accessions to,

and books and records describing or used in connection with, any of the foregoing; (b) rights corresponding to any of the foregoing throughout the world, including as provided by international treaties or conventions, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto; (c) income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect to any of the foregoing, including damages and payments for past and future infringements, misappropriations, or other violations thereof; and (d) rights to sue for past, present, and future infringements, misappropriations, or other violations of any of the foregoing, including the right to settle suits involving claims and demands for royalties owing.

"Inventory" shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof and all Accessions thereto, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production from raw materials through work in process to finished goods, and all products and proceeds of whatever sort and wherever located any portion thereof which may be returned, rejected, reclaimed or repossessed by the Collateral Agent from any Grantor's customers, and shall specifically include all "inventory" as such term is defined in the PPSA.

"Lenders" shall have the meaning provided in the recitals of this Agreement.

"Licenses" means any and all licenses, agreements, consents, orders, franchises and similar arrangements in respect of the licensing, development, use or disclosure of any Intellectual Property.

"Location" of any Grantor, shall mean such Grantor's "location" as determined pursuant to Section 7(3) of the PPSA.

"Obligations" shall mean and include, as to any Grantor, all of the following:

(i) the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations (including all "Obligations" as defined in the Credit Agreement), liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Grantor or any Subsidiary thereof at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), fees, costs and indemnities) of such Grantor owing to the Secured Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and the other Credit Documents to which such Grantor is a party (including, without limitation, in the event such Grantor is a Guarantor, all such obligations, liabilities and indebtedness of such Grantor under its Subsidiaries Guaranty) and the due performance and compliance by such Grantor with all of the terms, conditions and agreements contained in the Credit Agreement and in such other Credit Documents (all such obligations, liabilities and indebtedness under this clause (i), being herein collectively called the "Credit Document Obligations");

(ii) any and all sums advanced by the Collateral Agent in order to preserve the

Collateral or preserve its security interest in the Collateral;

(iii) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of such Grantor referred to in clause (i) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable legal fees and court costs;

(iv) all amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement under the Credit Agreement; and

(v) all amounts owing to any Agent or any of its Affiliates pursuant to any of the Credit Documents in its capacity as such;

it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

"Ordinary Course Transferees" shall mean: (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 28 of the PPSA as in effect from time to time in the relevant jurisdiction and (ii) any other Person who is entitled to take free of the Lien pursuant to the PPSA as in effect from time to time in the relevant jurisdiction.

"Patents" shall mean all: (a) industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office or the Canadian Intellectual Property Office listed on Annex H, and (b) reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto.

"Permits" shall mean, to the extent permitted to be assigned by the terms thereof or by applicable law, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any governmental authority or agency.

"PPSA" means the *Personal Property Security Act* (Ontario); provided that, if perfection or the effect of perfection or non-perfection of the priority of the security interests created by this Agreement is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Pro Rata Share" shall have the meaning provided in Section 6.5(b) of this Agreement.

"Proceeds" shall mean all "proceeds" as such term is defined in the PPSA and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Recordable Intellectual Property" means (i) any Patent issued by or applied for issuance with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (ii) any Trademark registered or applied for registration with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (iii) any Copyright registered or applied for registration with the United States Copyright Office or the Canadian Intellectual Property Office and (iv) any material License granting to any Grantor any exclusive right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials pertaining to a Copyright registered with the United States Copyright Office or the Canadian Intellectual Property Office.

"Required Secured Creditors" shall mean (i) at any time when any Credit Document Obligations are outstanding or any Commitments under the Credit Agreement exist, the Required Lenders (or, to the extent provided in Section 12.11 of the Credit Agreement, each of the Lenders).

"Secured Creditors" shall have the meaning provided in the recitals of this Agreement.

"Secured Debt Agreements" shall mean and include this Agreement and the other Credit Documents.

"Software" shall mean all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing.

"Termination Date" shall have the meaning provided in Section 9.8(a) of this Agreement.

"Trade Secret Rights" shall mean the rights of a Grantor in any Trade Secret it holds.

"Trade Secrets" shall mean all confidential and proprietary information, including, without limitation, know-how, show-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, and all

similar intellectual, industrial and intangible property.

"Trademarks" shall mean all: (a) trademarks, service marks, certification marks, domain names and associated URLs, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office and the Canadian Intellectual Property Office that are listed on Annex H, (b) all extensions or renewals of any of the foregoing, (c) goodwill associated therewith or symbolized thereby, (d) other assets, rights and interests that uniquely reflect or embody such goodwill, and (e) rights and privileges arising under applicable law with respect to the use of any of the foregoing.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

In addition, the following terms shall have the meanings set forth in the PPSA: Accessions, Account, Certificated Security, Chattel Paper, Consumer Goods, Document of Title, Financial Asset, Futures Account, Futures Contract, Goods, Instrument, Intangible, Investment Property, Money, Security, Securities Account, Security Entitlement, Security Certificate, and Uncertificated Security.

ARTICLE IX

MISCELLANEOUS

9.1 Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or any Grantor shall not be effective until received by the Collateral Agent or such Grantor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to any Grantor, c/o:

100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

(b) if to the Collateral Agent, at:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ronaldo Naval
Phone: 214-209-1162
Email: ronaldo.naval@baml.com
Fax Number: 877-511-6124

(c) if to any Secured Creditor (other than the Collateral Agent), at such address as such Secured Creditor shall have specified in the Credit Agreement;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

9.2 Waiver; Amendment. Except as provided in Section 9.8, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Grantor directly affected thereby (it being understood that the addition or release of any Grantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Grantor other than the Grantor so added or released) and the Collateral Agent (with the written consent of the Required Secured Creditors).

9.3 Obligations Absolute. To the maximum extent permitted by applicable law, the obligations of each Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or any security for any of the Obligations; whether or not such Grantor shall have notice or knowledge of any of the foregoing.

9.4 Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 9.8, (ii) be binding upon each Grantor, its successors and assigns; provided, however, that no Grantor shall assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Grantor herein or in any certificate or other instrument delivered by such Grantor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

9.5 Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

9.6 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL .

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN. EACH GRANTOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTE ARISING FROM OR IN RELATION TO THIS AGREEMENT AND EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY ATTORNS TO THE EXCLUSIVE JURISDICTION OF THAT PROVINCE. EACH GRANTOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO ARE THE MOST APPROPRIATE AND CONVENIENT FORUM TO SETTLE DISPUTES AND AGREES NOT TO ARGUE TO THE CONTRARY. EACH GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 9.1 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER PRIOR TO THE TERMINATION DATE HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION,

PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

9 . 7 Grantor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or with respect to any Collateral.

9.8 Termination; Release.

(a) After the Termination Date, this Agreement shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors (provided that all indemnities set forth herein including, without limitation in Section 8.1 hereof, shall survive such termination) and the Collateral Agent, at the request and expense of the respective Grantor, will promptly execute and deliver to such Grantor a proper instrument or instruments (including PPSA financing change statements or discharges) acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the date upon which the Total Commitment under the Credit Agreement has been terminated and all Credit Document Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Term Loans thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted).

(b) In the event that, at any time prior to the Termination Date, any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 12.11 of the Credit Agreement), and the proceeds of such sale or disposition (or from such release) are applied in accordance with the terms of the Credit Agreement, to the extent required to be so applied, the Collateral Agent, at the request and expense of such Grantor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Collateral Agent and has not theretofore been released pursuant to this Agreement. Furthermore, upon the release of any Subsidiary Guarantor from the Subsidiaries Guaranty in accordance with the provisions thereof, such Grantor (and the Collateral at such time assigned by the respective Grantor pursuant hereto) shall be released from this Agreement.

(c) At any time that a Grantor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 9.8(b),

such Grantor shall deliver to the Collateral Agent (and the relevant sub-agent, if any, designated hereunder) a certificate signed by a Responsible Officer of such Grantor stating that the release of the respective Collateral is permitted pursuant to such Section 9.8(b). At any time that either the Borrower or the respective Grantor desires that a Subsidiary of the Borrower which has been released from the Subsidiaries Guaranty be released hereunder as provided in the last sentence of Section 9.8(b), it shall deliver to the Collateral Agent a certificate signed by a Responsible Officer of the Borrower and the respective Grantor stating that the release of the respective Grantor (and its Collateral) is permitted pursuant to such Section 9.8(b).

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 9.8.

9.9 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Collateral Agent. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

9.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.11 The Collateral Agent and the other Secured Creditors . The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Section 11 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Section 11 of the Credit Agreement.

9.12 Additional Grantors. It is understood and agreed that any Subsidiary Guarantor that desires to become a Grantor hereunder, or is required to execute a counterpart of this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Grantor hereunder by executing a counterpart hereof and delivering same to the Collateral Agent, or by executing and delivering to the Collateral Agent a joinder agreement in form and substance reasonably satisfactory to the Collateral Agent, (y) delivering supplements to Annexes A through H, inclusive, hereto as are necessary to cause such Annexes to be complete and accurate with respect to such additional Grantor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Grantor had it been an original party to this Agreement, in each case with all documents required above to be

delivered to the Collateral Agent and with all documents and actions required above to be taken to the reasonable satisfaction of the Collateral Agent.

9.13 Amalgamation, Merger. If any Grantor amalgamates or merges with one or more other entities, the Obligations and the security interest granted to the Collateral Agent pursuant to this Agreement shall continue as to the Obligations and the Collateral of such Grantor at the time of amalgamation or merger, and shall extend to the Obligations and the present and future Collateral of the amalgamated or merged entity, and the term Grantor shall extend to the amalgamated or merged entity, all as if the amalgamated or merged entity had executed this Agreement as such Grantor.

9.14 Limitation Periods. To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, each Grantor agrees that: (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law; (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law; (c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Collateral Agent to the Grantors; (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Credit Parties; and (e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies.

9.15 ABL/Term Intercreditor Agreement. This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Collateral Agent (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement.

[Remainder of this page intentionally left blank; signature pages follow]

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

BAUER PERFORMANCE SPORTS LTD.

By: ____
Name:
Title:

KBAU HOLDINGS CANADA, INC.

By: ____
Name:
Title:

BAUER HOCKEY CORP.

By: ____
Name:
Title:

BPS GREENLAND CORP.

By: ____
Name:
Title:

BPS DIAMOND SPORTS CORP.

By: ____
Name:
Title:

BAUER PERFORMANCE LACROSSE CORP.

By: ____
Name:
Title:

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

By: ____
Name:
Title:

8848076 CANADA CORP.

By: ____
Name:
Title:

Accepted and Agreed to:
BANK OF AMERICA, N.A.,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF CHIEF EXECUTIVE OFFICES

Name of Grantor	Address(es) of Chief Executive Office
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]

ANNEX B
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF LOCATIONS OF COLLATERAL

ANNEX C
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF LEGAL NAMES, TYPE OF ORGANIZATION, JURISDICTION OF ORGANIZATION, LOCATION AND ORGANIZATIONAL IDENTIFICATION NUMBERS

Exact Legal Name of Each Grantor	Type of Organization (or, if the Grantor is an Individual, so indicate)	Jurisdiction of Organization	Grantor's Location (for purposes of PPSA)	Grantor's Organization Identification Number (or, if it has none, so indicate)

ANNEX D
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF TRADE AND FICTITIOUS NAMES

Name of Grantor	Trade and/or Fictitious Names
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX E
to
CANADIAN SECURITY AGREEMENT

DESCRIPTION OF CERTAIN SIGNIFICANT TRANSACTIONS OCCURRING WITHIN
ONE YEAR PRIOR TO THE DATE OF THE CANADIAN SECURITY AGREEMENT

Name of Grantor	Description of any Transactions as Required by Section 2.8 of the Canadian Security Agreement
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX G
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF RECORDABLE INTELLECTUAL PROPERTY

1. Registered Trademarks:

TRADEMARK	REGISTRATION DATE	REGISTRATION NO.	OWNER

2. Applications for Trademarks:

TRADEMARK	APPLICATION DATE	SERIAL NO.	APPLICANT

3. Domain Names:

DOMAIN NAME	REGISTRATION DATA	REGISTRANT

4. Patents:

TITLE	ISSUE DATE	PATENT NO.	REGISTERED OWNER

5. Patent Applications:

TITLE	FILING DATE	APPLICATION NO.	APPLICANT

6. Registered Copyrights:

TITLE	DATE FILED	REGISTRATION NO.	REGISTERED OWNER

6. Copyright Applications:

TITLE	DATE FILED	APPLICATION NO.	APPLICANT

7. Exclusive Licenses:

DATE	LICENSOR	LICENSEE	TITLE	APPLICATION / REGISTRATION NO.

ANNEX H
to
CANADIAN SECURITY AGREEMENT

CONFIRMATION OF SECURITY INTEREST IN INTELLECTUAL PROPERTY

TO: CANADIAN INTELLECTUAL PROPERTY OFFICE

DATED: _____ ____, 20___

WHEREAS, [NAME OF GRANTOR] with principal offices at _____ (the " Grantor"), is the owner of the patents, patent applications, trade-marks, trade-mark applications, copyrights, copyright applications, industrial designs and industrial design applications set forth in Schedule I hereto, and the underlying goodwill associated with the business in association with which such patents, trade-marks, copyrights and industrial designs are used (collectively, the "Intellectual Property").

WHEREAS, pursuant to the Credit Agreement dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement") among, *inter alia*, Bauer Performance Sports Ltd., the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent, the Grantor entered into the Canadian Security Agreement dated as of April 15, 2014 (amended, modified, restated and/or supplemented from time to time, the "Security Agreement") in favour of Bank of America, N.A., as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent") for the benefit of the Secured Creditors (as defined in the Security Agreement), at its offices at 901 Main Street, 14th Floor, Dallas, Texas 75202, pursuant to which the Grantor granted a security interest in and to, *inter alia,* the Intellectual Property to the Collateral Agent, for the benefit of the Secured Creditors, to secure the payment and performance of its obligations to the Secured Creditors, including, without limitation, its obligations under or in connection with the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby confirms the grant under the Security Agreement to the Collateral Agent, for the benefit of the Secured Creditors, of a security interest in and to the Intellectual Property.

[signature page follows]

In witness whereof, the Grantor has caused this Confirmation to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF GRANTOR]

By: ____

Name:
Title:

SCHEDULE I
to
CONFIRMATION OF SECURITY INTEREST IN
INTELLECTUAL PROPERTY

TRADEMARKS/PATENTS/COPYRIGHTS/INDUSTRIAL DESIGNS

EXHIBIT G-3

FORM OF HYPOTHEC

[See Attached.]

DEED OF HYPOTHEC AND ISSUE OF MORTGAGE BONDS

ON THE Fifteenth (15th) day of April Two Thousand Fourteen (2014)

B E F O R E Mtre William DION-BERNARD, the undersigned notary for the Province of Québec, practising at the City of Montréal

APPEARED:

BANK OF AMERICA, N.A. , a United States national banking association having a place of business at 901 Main Street, 14 th Floor, Dallas, State of Texas, USA, 75202, the person holding the power of attorney (*fondé de pouvoir*) of the Bondholders (as defined below), herein acting and represented by Joëlle Girard, its authorized representative, duly authorized for the purposes hereof in virtue of a power of attorney, a copy of which remains Scheduled to these presents after having been acknowledged as true and signed for identification by said representative in the presence of the undersigned Notary.

OF THE FIRST PART

AND:

[NAME OF GRANTOR], a corporation governed by the laws of Canada, having its registered office at 199 Bay Street, Commerce Court West, Suite 5300, Toronto, Ontario, M5L 1B9, herein acting and represented by Howard Rosenoff, its authorized representative, duly authorized for the purposes hereof in virtue of a resolution of its board of directors, a certified copy, extract or duplicate of which is Scheduled hereto after having been acknowledged as true and signed for identification by the said representative with and in the presence of the undersigned Notary;

OF THE SECOND PART

WHICH PARTIES DECLARED AS FOLLOWS:

WHEREAS the Grantor (as hereafter defined) has, under its governing law and constating documents, the power to issue, re-issue, sell or pledge debt obligations of the Grantor and to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Grantor, now owned or subsequently acquired, to secure any obligation of the Grantor, and is duly authorized to create and issue Bonds as hereinafter provided and to secure the same

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as provided for by this Deed;

WHEREAS the Grantor is desirous of creating, issuing and securing Bonds in the manner hereinafter set forth;

WHEREAS all necessary corporate proceedings and resolutions have been duly taken and passed by the Grantor and all other actions have been taken to authorize the execution by the Grantor of this Deed and the issue and securing of the Bonds in conformity therewith;

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS :

1. INTERPRETATION

1.1. TL Credit Agreement Definitions

The capitalized words and expressions used in this Deed or in any agreement, document or instrument supplemental or ancillary hereto, unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, shall have the meanings ascribed to them in the TL Credit Agreement.

1.2. Other Definitions

The following words and phrases, wherever used in this Deed, if any, or in any deeds supplemental hereto, shall, unless there be something in the context inconsistent therewith, have the following meanings:

1.2.1"**Administrative Agent**": means BANK OF AMERICA, N.A., in its capacity as Administrative Agent under the TL Credit Agreement, and any successor Administrative Agent appointed in accordance with the TL Credit Agreement;

1.2.2"**Attorney**": means BANK OF AMERICA, N.A. duly appointed as *fondé de pouvoir* pursuant to Section 2 hereof and its successors and assigns in the powers and duties created hereunder;

1.2.3"**Bonds**": means the bonds to be issued hereunder and from time to time outstanding hereunder;

1.2.4"**Bondholders**" or "**holders**": means the Persons for the time being entered in the register hereinafter mentioned as holders of the Bonds and "**Bondholder**" means any

one of them;

1.2.5"**Bondholders' Instrument**": means an instrument signed in one or more counterparts by the Majority Bondholders;

1.2.6"**Borrower**" mean Bauer Performance Sports Ltd. and its successors and assigns, including, without limitation, any Person resulting from the amalgamation of the Borrower with any other Person;

1.2.7"**Canadian Dollars**" or "**$**": means the legal currency of Canada;

1.2.8"**Canadian Security Agreement**": means the term loan Canadian security agreement to be entered into on or about April 15, 2014 among, *inter alios*, the Grantor and the Collateral Agent, as the same may be amended, modified, restated and/or supplemented from time to time;

1.2.9"**Capital Stock**": means with respect to any Person, any and all present and future shares in the capital stock of such Person or partnership units, trust units or other units or interests, participations or equivalent rights in the Person's equity or capital, however designated and whether voting or non-voting;

1.2.10"**Cash Collateral Account**": shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Attorney for the benefit of the Bondholders;

1.2.11"**Civil Code**": means the *Civil Code of Québec*;

1.2.12"**Claims**": has the meaning ascribed thereto in Section 4.1.5;

1.2.13"**Collateral Agent**": means BANK OF AMERICA, N.A., in its capacity as Collateral Agent under the TL Credit Agreement, and any successor Collateral Agent appointed in accordance with the TL Credit Agreement;

1.2.14"**Copyrights**": shall mean all (i) copyrights (whether statutory or common law, whether registered or unregistered and whether published or unpublished), and

all copyright registrations and applications therefor, including, without limitation, the copyright registrations and applications in the United States Copyright Office and the Canadian Intellectual Property Office listed in Annex G to the Canadian Security Agreement; (ii) rights and privileges arising under applicable law with respect to such copyrights; and (iii) renewals and extensions thereof and amendments thereto;

1.2.15"**Counsel**" or "**counsel**": mean a barrister, solicitor, attorney or lawyer or firm of barristers, solicitors, attorneys or lawyers (who may be counsel to the Grantor) acceptable to the Attorney;

1.2.16"**Deposit Accounts**": shall mean all deposit, demand, time, savings, cash management, passbook or other similar accounts with a bank, credit union, trust company, similar financial institution or other Person and all accounts and sub-accounts relating to any of the foregoing accounts;

1.2.17"**Equipment**": shall have the meaning ascribed thereto in Section 4.1.7 hereof;

1.2.18"**Event of Default**": shall have the meaning ascribed thereto in Section 12.1 hereof;

1.2.19"**Excluded Property**": shall have the meaning ascribed thereto in the Canadian Security Agreement;

1.2.20"**Grantor**": means **[NAME OF GRANTOR]** and its successors and assigns, including, without limitation, any Person resulting from the amalgamation of the Grantor with any other Person;

1.2.21"**Hypothec**": shall mean the hypothec granted in Section 4 hereof;

1.2.22"**Hypothecated Property**": means all movable and immovable property of the Grantor, corporeal and incorporeal, tangible and intangible, present and future, of any nature whatsoever and wheresoever situated, subjected or intended to be subjected to the hypothec created or intended to be created herein as set out in Section 4 hereof;

1.2.23"**Immovables**": shall have the meaning ascribed thereto in Section 4.1.1 hereof;

1.2.24"**Intellectual Property Rights**": shall have the meaning ascribed thereto in Section 4.1.8 hereof;

1.2.25"**Inventory**": shall have the meaning ascribed thereto in Section 4.1.4 hereof;

1.2.26"**Leases**": shall have the meaning ascribed thereto in Section 4.1.2 hereof;

1.2.27"**Lenders**": refers collectively to the Lenders under the TL Credit Agreement and includes their respective successors and permitted assigns;

1.2.28"**Licenses**": shall mean any and all licenses, agreements, consents, orders, franchises and similar arrangements in respect of the licensing, development, use or disclosure of any Intellectual Property Rights;

1.2.29"**Majority Bondholders**": shall mean at any time the Bondholders that hold at least sixty-six and two thirds percent (66 2/3%) in principal amount of the Bonds then issued and outstanding hereunder;

1.2.30"**Notice to Debtors**": shall have the meaning ascribed thereto in Section 8.2 hereof;

1.2.31"**Patents**": shall mean all (i) industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office or the Canadian Intellectual Property Office listed in Annex G to the Canadian Security Agreement, and (ii) reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto;

1.2.32"**Recordable Intellectual Property**": shall mean (i) any Patent issued by or applied for issuance with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (ii) any Trademark registered

or applied for registration with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (iii) any Copyright registered or applied for registration with the United States Copyright Office or the Canadian Intellectual Property Office and (iv) any material License granting to the Grantor any exclusive right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials pertaining to a Copyright registered with the United States Copyright Office or the Canadian Intellectual Property Office;

1.2.33"**Rent**": shall have the meaning ascribed thereto in Section 4.1.2 hereof;

1.2.34"**Restricted Agreements**": shall have the meaning ascribed thereto in Section 4.2.1 hereof;

1.2.35"**Secured Creditors**": means, collectively, the Lenders, the Attorney, the Administrative Agent, the Collateral Agent and each other Agent;

1.2.36"**Secured Obligations**": shall have the meaning ascribed thereto in Section 6;

1.2.37"**Securities**": shall mean all Capital Stock, all bonds, debentures, bills of exchange, promissory notes, negotiable instruments and other evidences of indebtedness, all options, warrants, investment certificates, mutual fund units, all other instrument or title generally called or included as a security, and all rights with respect to the foregoing;

1.2.38"**Software**": shall mean all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing;

1.2.39"**Termination Date**": shall mean the date upon which the Total Commitment under the TL Credit Agreement has

been terminated and all Credit Document Obligations (as defined in the Canadian Security Agreement) have been paid in full, no Note under the TL Credit Agreement is outstanding and all Term Loans thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted);

1.2.40"**this Deed**", "**these presents**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions mean or refer to this Deed and to any deed, notice or document supplemental or complementary hereto, including any and every deed of hypothec, application for registration, notice under article 2949 of the Civil Code, or other instrument or charge which is supplementary or ancillary hereto or in implementation hereof and the expression "Section" followed by a number means and refers to the specified section of this Deed;

1.2.41"**TL Credit Agreement** ": shall refer to that certain term loan credit agreement dated as of April 15, 2014 amongst Bauer Performance Sports Ltd., as borrower, and various lenders party thereto from time to time and Bank of America, N.A., as Administrative Agent and Collateral Agent, as the same may be amended, modified, restated and/or supplemented from time to time;

1.2.42"**Trade Secrets** " shall mean all confidential and proprietary information, including, without limitation, know-how, show-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, and all similar intellectual, industrial and intangible property;

1.2.43"**Trademarks**": shall mean all (i) trademarks, service marks, certification marks, domain names and associated URLs, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and applications filed in connection

therewith, including registrations and registration applications in the United States Patent and Trademark Office and the Canadian Intellectual Property Office that are listed on Annex G to the Canadian Security Agreement, (ii) all extensions or renewals of any of the foregoing, (iii) goodwill associated therewith or symbolized thereby, (iv) other assets, rights and interests that uniquely reflect or embody such goodwill, and (v) rights and privileges arising under applicable law with respect to the use of any of the foregoing; and

1.2.44"**Writings**": shall have the meaning ascribed thereto in Section 10.6 hereof.

1.3. Gender

Words importing the singular only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine gender; and words importing individuals shall include firms, partnerships and corporations, and vice versa.

1.4. Headings

The division of this Deed into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5. Delays and calculation of delays

The delays provided hereunder are calculated simultaneously with the delays imposed by law and are not in addition to such delays. In the calculation of any period of delay, the period shall exclude the day from which the period commences and the period shall include the last day thereof.

2. APPOINTMENT OF THE *FONDÉ DE POUVOIR*

2.1. Appointment of the *Fondé de Pouvoir*

The Grantor hereby appoints by these presents BANK OF AMERICA, N.A. to act as *fondé de pouvoir* of the Bondholders, as contemplated by article 2692 of the Civil Code, to take, receive, and hold on behalf of, and for the benefit of, each of the Bondholders, all rights and the Hypothec created hereby as continuing security for the payment of the Bonds from time to time issued and outstanding hereunder, and to exercise any and all powers and rights and to

perform any and all duties conferred upon it hereunder or by a Bondholders' Instrument. Each Bondholder, by becoming a Bondholder, shall be deemed to have accepted and ratified such appointment, which acceptance and ratification shall also bind the successors and assigns of such Bondholder.

2.2. Acceptance of Appointment

BANK OF AMERICA, N.A. hereby accepts its appointment as *fondé de pouvoir* and agrees to take, receive and hold the rights and the Hypothec created hereby and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder or by a Bondholders' Instrument, all as provided in Section 2.1.

2.3. Subsequent Holders of Bonds

Any Person who becomes a Bondholder shall benefit from the provisions hereof and the appointment of the Attorney as *fondé de pouvoir* of the Bondholders and, upon becoming a Bondholder, irrevocably authorizes the Attorney to perform such function. Each holder of a Bond, by its acceptance thereof (a) acknowledges that the first issue of a Bond has been or may be purchased from the Grantor by the Attorney, by underwriting, purchase, subscription or otherwise, and (b) waives any right it may have under Section 32 of *An Act Respecting the Special Powers of Legal Persons* (Québec).

3. CHARACTERISTICS AND ISSUE OF BONDS

3.1. Limit of Issue; Series

The Bonds which are authorized to be at all times outstanding hereunder and entitled to the security hereof are limited to the aggregate principal amount of ONE BILLION THREE HUNDRED TWENTY MILLION DOLLARS ($1,320,000,000) in lawful money of Canada.

The Bonds may be designated generally as " **25 % Mortgage Demand Bonds** " and may be referred to as the " **Bonds**". The Bonds shall be payable on demand; the principal amount from time to time outstanding on the Bonds shall bear interest from the date of issue of the respective Bond at the rate of twenty-five percent (25%) per annum, both before and after demand, maturity and judgment, payable on demand; and the Bonds shall be fully registered Bonds. The Bonds issuable hereunder may consist of Bonds having different dates of issue; may consist of Bonds of different denominations; and may contain such variation of tenor and effect as are incidental to

such differences of denomination and form, including variations in the provisions for exchange of Bonds of different forms and denominations. The Bonds shall be numbered in any manner prescribed by the Grantor with the approval of the Attorney.

All of the Bonds shall rank *pari passu* and without preference or priority one over another on maturity or realization of the Hypothec created hereby, notwithstanding the date of their issue or the date of their certification by the Attorney.

3.2. Conditions Precedent to Issue of Bonds

Bonds to the aggregate principal amount referred to in Section 3.1 hereof may forthwith and from time to time be executed by the Grantor and certified by the Attorney upon receipt by or deposit with the Attorney of a written order or orders of the Grantor for the certification and delivery of Bonds, naming the Person or Persons to whom such Bonds are to be delivered.

3.3. Form and Signature of Bonds

3.3.1 The Bonds shall be substantially in the form set out in Section 18 hereof with such variations and additions as may be approved by the Attorney. The Attorney has the power to annotate any Bond in order to make the reference thereon to any supplement to or modification of these presents. Such annotation shall be binding upon the Grantor and the Bondholders as if forming part of the Bond's original wording.

3.3.2 The Bonds shall be issued as fully registered Bonds in the denominations of $1,000 and multiples of $1,000.

3.3.3 The Bonds shall be signed by any officers or directors of the Grantor holding office at the time of signing.

3.4. Certification of the Bonds

No Bonds shall be issued or, if issued, shall be obligatory, or shall entitle the holder to the benefits of this Deed, until it has been certified by or on behalf of the Attorney substantially in the form set out in Section 18 hereof, with such variations and additions as may be approved by the Attorney. Such certificate on any Bond shall be conclusive evidence that such Bond is duly issued and is a valid obligation of the Grantor. The certificate of the Attorney signed on the Bonds shall not be construed as a representation or warranty by

the Attorney as to the validity of this Deed or of the Bonds or their issuance and the Attorney shall in no respect be liable or answerable for the use made of said Bonds or any of them or the proceeds thereof. The certificate of the Attorney signed on the Bonds shall, however, be a representation and warranty by the Attorney that such Bonds have been duly certified by or on behalf of the Attorney pursuant to the provisions of this Deed.

3.5. Registration of Bonds

The Attorney shall cause to be kept a register in which shall be entered the names and addresses of the holders of Bonds and particulars of the Bonds held by them respectively and of all transfers of Bonds. No transfer of Bond shall be valid unless made on the register by the registered holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Attorney, upon compliance with such requirements as the Attorney may prescribe; and such transfer shall have been duly noted on such Bonds by the Attorney.

The Person in whose name any Bond shall be registered in the appropriate register shall be deemed to be the owner thereof for all purposes.

The register referred to in this Section shall at all reasonable times during regular business hours be open for inspection by the Grantor, by the Attorney and by any Bondholder.

The holder of a Bond may at any time and from time to time have such Bond transferred in accordance with this Deed at the place at which a register is kept pursuant to the provisions of this Section, in accordance with such reasonable regulations as the Attorney may prescribe.

The Attorney and/or the Grantor shall not be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Bond and may transfer in accordance with this Deed any Bond on the direction of the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

The Attorney shall, when requested so to do in writing by the Grantor or any Bondholder, furnish the Grantor or such Bondholder, as the case may be, with a list of the names and addresses of the holders of Bonds showing the principal amounts and serial numbers of such

Bonds held by each holder.

3.6. Persons entitled to Payment

Payment of or on account of the principal of any Bonds shall be made only to or upon the order in writing of the Person in whose name such Bonds shall be registered and such payment shall be a good and sufficient discharge to the Attorney and to the Grantor for the amounts so paid.

Where Bonds are registered in more than one name, the principal moneys and interest from time to time payable in respect thereof may be paid by cheque or warrant payable to the order of all such holders, failing written instructions from them to the contrary, and such payment shall be valid discharge to the Attorney for the amounts so paid and to the Grantor.

The holder for the time being of any Bond shall be entitled to the principal moneys and interest evidenced by such Bond, free from all equities or rights of set-off, compensation or counter-claim between the Grantor and the original or any intermediate holder thereof and all Persons may act accordingly and a transferee of a Bond shall, after the appropriate form of transfer is lodged with the Attorney and upon compliance with all other conditions in that behalf required by this Deed or by any conditions contained in such Bond or by law, be entitled to be entered on the register as the owner of such Bond free from all equities or rights of set-off, compensation or counter-claim between the Grantor and its transferor or any previous holder thereof, save in respect of equities of which the Grantor is required to take notice by statute or by order of a court of competent jurisdiction and save as otherwise expressly provided in this Deed.

3.7. Evidence of Ownership

The Grantor and the Attorney may treat the registered holder of any Bonds as the owner thereof without actual production of such Bond for the purpose of any request, requisition, direction, consent, instrument or other document.

3.8. Meaning of “outstanding” and Cancellation of Bonds

Every Bond certified and delivered by the Attorney hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Attorney for cancellation, provided that where a new Bond has been issued in substitution for a Bond which has been mutilated, lost, stolen or destroyed, only such new Bond shall be counted for the

purpose of determining the aggregate principal amount of Bonds or series of Bonds outstanding.

The Attorney shall note on the face of all Bonds that have been cancelled that such Bonds have been cancelled.

3.9. Mutilation, Loss, Theft or Destruction of Bonds

In case any of the Bonds shall become mutilated or be lost, stolen or destroyed, the Grantor, in its discretion, may issue, and thereupon the Attorney shall certify and deliver, a new Bond upon surrender and cancellation of the mutilated Bond, or in the case of a lost, stolen or destroyed Bond, in lieu of and in substitution for the same, and the substituted Bond shall be in a form approved by the Attorney and shall be entitled to the benefits of this Deed equally with all other Bonds without preference or priority one over another. In case of loss, theft or destruction, the applicant for a substituted Bond shall furnish the Grantor and the Attorney such evidence of such ownership and loss, theft or destruction as shall be satisfactory to each of them in their discretion, and shall also furnish indemnity satisfactory to each of them in their discretion and shall pay all expenses incidental to the issuance of such substituted Bond.

3.10. Exchanges of Bonds; Stamp Tax

Bonds of any denomination may be exchanged for Bonds of any other authorized denomination or denominations, any such exchange to be for Bonds of an equivalent aggregate principal amount remaining outstanding. Exchanges of Bonds may be made at the offices of the Attorney where registers are maintained for the Bonds pursuant to the provisions of this Deed.

Except as herein otherwise provided, in every case of exchange of Bonds of any denomination or form for other Bonds and for any transfer of Bonds, the Attorney may make a sufficient charge to reimburse it for any stamp tax or other governmental charge required to be paid, and in addition a reasonable charge for its services for each Bond exchanged or transferred and a reasonable charge for every Bond issued upon such exchange or transfer, and payment of the said charges shall be made by the party requesting such exchange or transfer as a condition precedent thereto.

3.11. Place of Payment

The principal of all Bonds, interest thereon and all payments which may become payable at any time thereon, whether at maturity or

otherwise, shall be payable to the respective registered holders thereof at the office of the Attorney in the City of Montréal or at such address as may be mentioned in the Bonds, without any presentment of such Bonds for payment of interest thereon and without the necessity of any notation of any payment being made thereon.

3.12. Securities Transfer Legislation

All Bonds issued hereunder shall be deemed to be securities for the purposes of securities transfer legislation, including, without limitation, the *Act respecting the transfer of securities and the establishment of security entitlements* (Québec).

3.13. Pledge of Bonds

All or any of the Bonds issued hereunder may be pledged, hypothecated or charged from time to time by the Grantor to secure any obligations of the Grantor or any other Person and, when such Bonds are redelivered to the Grantor upon payment or satisfaction of such indebtedness or obligations, such Bonds shall be cancelled and returned to the Grantor or its counsel.

4. HYPOTHECATED PROPERTY

4.1. Description of Hypothecated Property

The Grantor hereby hypothecates in favour of the Attorney, for the amount provided for in Section 5, the universality of all of its present and future movable and immovable property, corporeal and incorporeal, tangible and intangible, now owned or hereafter acquired, the whole including, without limitation, the following universalities of present and future property:

4.1.1Immovable Property

All present and future immovable property of the Grantor, and all rights of the Grantor in any immovable property, together with all property which may be or become incorporated therewith or permanently physically attached or joined thereto so as to ensure the utility thereof or which is used by the Grantor for the operation of its enterprise or the pursuit of its activities (including heating and air conditioning apparatus and watertanks) and all other property which becomes immovable by the effect of law, including by way of accession, and all real rights relating to or attaching to such immovable property

(collectively, the "**Immovables**").

4.1.2Rentals, Revenues and Leases of Immovables

All present and future leases, agreements to lease, offers to lease, options to lease, sub-leases and other rights to occupy premises including any right of emphyteusis, use or occupancy ("**Leases**") in or of the Immovables or any part thereof, and all present and future rents, revenues, annuities and other claims arising out of any Leases or other rights or contracts in respect of the Immovables, including, without limitation, any indemnity which may be payable pursuant to the *Bankruptcy and Insolvency Act* or analogous legislation or proceedings in respect of any Lease, (collectively " **Rent**") and the continuing right to demand, sue for, recover, receive, and give receipts for such Rent.

4.1.3Insurance

Indemnities or proceeds now or hereafter payable under any present or future contract of insurance on or in respect of the Immovables, the Rent, any of the other Hypothecated Property.

4.1.4Inventory

All present and future property in stock and inventory of any nature and kind of the Grantor whether in its possession, in transit or held on its behalf, including work in process, goods, property in reserve, raw materials, finished goods or other materials, goods manufactured or transformed, or in the process of being so, by the Grantor or by others, packaging materials, property held by a third party under a lease, a leasing agreement, franchise or license agreement or any other agreement entered into with or on behalf of the Grantor, property evidenced by bill of lading, animals, wares, mineral substances, hydrocarbons and other products of the soil and all fruits thereof from the time of their extraction, as well as any other property held for sale, lease or processing in the manufacture or transformation of property intended for sale, lease or use in providing a product or service by the Grantor (hereinafter the "**Inventory**").

Property having formed part of the Inventory which is

alienated by the Grantor in favour of a third person but in respect of which the Grantor has retained title pursuant to a reservation of ownership provision, shall remain charged by the Hypothec until title is transferred; any Inventory the ownership of which reverts to the Grantor pursuant to the resolution or resiliation of any agreement or following its repossession is also subject to the Hypothec.

4.1.5Claims and Other Movable Property

4.1.5.1. Claims, Receivables and Book Debts

All of the Grantor's present and future claims, debts, demands and choses in action, whatever their cause or nature (including, without limitation, all Rent), whether or not they are certain, liquid or exigible, whether or not evidenced by any title (and whether or not such title is negotiable), bill of exchange or draft, whether litigious or not, whether or not they have been previously or are to be invoiced, whether or not they constitute book debts or trade accounts receivable, including, without limitation, all customer accounts, accounts receivable, rights of action, demands, judgments, contract rights, debts, tax refunds, amounts on deposit, bank accounts, the Deposit Accounts, the Cash Collateral Account, cash, proceeds of sale, assignment or lease of any property, rights or titles, indemnities payable under any contract of insurance of property, of Persons, or of liability insurance, proceeds of expropriation, any sums owing to the Grantor in connection with interest or currency exchange contracts and other treasury or hedging instruments, management of risks or derivative instruments existing in favour of the Grantor (SWAPS), and the Grantor's rights in the credit balance of accounts held for its benefit by any financial institution or any other Person.

4.1.5.2. Rights of Action

All of the Grantor's rights under contract with

third parties (including without limitation under the Leases) as well as the Grantor's rights of action and claims against third persons.

4.1.5.3. Accessories

All of the hypothecs, security interests, security agreements, guarantees, suretyships, notes, acceptances and accessories to the claims and rights described above and other rights relating thereto (including, without limitation, the rights of the Grantor in its capacity as seller under any instalment sale, with respect to the claims hereby hypothecated which are the result of such sale).

4.1.5.4. No Exclusions

A right or a claim shall not be excluded from the Hypothecated Property by reason of the fact that (i) the debtor thereof is domiciled outside the Province of Québec or (ii) the debtor thereof is an Affiliate (as such term is defined in the TL Credit Agreement) of the Grantor (regardless of the law of the jurisdiction of its incorporation) or (iii) such right or claim is not related to the operations of the Grantor or (iv) such right or claim is not related to the ordinary course of business of the Grantor.

(The property referred to in this Section 4.1.5 is collectively referred to herein as the " **Claims**".)

4.1.6Securities

All present and future Capital Stock and other Securities, including, without limitation, all Securities issued or received in substitution, renewal, addition or replacement of Securities, or issued or received on the purchase, redemption, conversion, cancellation or other transformation of Securities or issued or received by way of dividend or otherwise to holders of Securities, and all present and future instruments, bills of lading, warehouse

receipts, documents or other evidences of title of the Grantor.

4.1.7Equipment and Road Vehicles

All present and future machinery, equipment, implements, furniture, appliances, supplies, apparatus, tools, patterns, models, dies, blueprints, fittings, furnishings, fixtures, machinery, vehicles and rolling stock of the Grantor, including additions and accessories and spare parts (the "**Equipment**").

4.1.8Intellectual Property Rights

All of the Grantor's present and future rights in any (i) intellectual property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, Software, Trade Secrets, industrial design, goodwill, invention, trade secret, know-how, plant breeders' right, topography of integrated circuits, confidential or proprietary technical and business information and other data or information, software and databases and in any other intellectual property right (registered or not) and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing; (ii) rights corresponding to any of the foregoing throughout the world, including as provided by international treaties or conventions, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto; (iii) income, fruits, revenues, royalties, damages, claims, and payments now or hereafter due or payable under and with respect to any of the foregoing, including damages and payments for past and future infringements, misappropriations, or other violations thereof; and (iv) rights to sue for past, present, and future infringements, misappropriations, or other violations of any of the foregoing, including the right to settle suits involving claims and demands for royalties owing (the "**Intellectual Property Rights**").

4.1.9Fruits and Revenues

All cash, profits, proceeds, fruits, dividends, rights and revenues which are or may be produced by or declared or

distributed with respect to the Hypothecated Property or in exchange thereof as well as the proceeds of the Hypothecated Property, including without limitation any property, equipment, negotiable instrument, bill, commercial paper, security, money, compensation for expropriation remitted, given in exchange or paid pursuant to a sale, repurchase, distribution or any other transaction with respect to the Hypothecated Property (provided that nothing herein shall be interpreted as permitting the Grantor to dispose of any of the Hypothecated Property in contravention of the provisions of this Deed or the TL Credit Agreement).

4.1.10Records and Other Documents

All present and future titles, documents, records, data, vouchers, invoices, accounts and other documents evidencing or related to the Hypothecated Property described above, including, without limitation, computer programs, disks tapes and other means of electronic communications as well as the rights of the Grantor to recover such property from third parties, receipts, catalogues, client lists, directories and other similar property.

4.1.11Replacement Property

All Hypothecated Property which is acquired, transformed or manufactured after the date of this Deed shall be charged by the Hypothec, (i) whether or not such property has been acquired in replacement of other Hypothecated Property which may have been alienated by the Grantor in the ordinary course of business, (ii) whether or not such property results from a transformation, mixture or combination of any Hypothecated Property, and (iii) in the case of Securities, whether or not they have been issued pursuant to the purchase, redemption, conversion or cancellation or any other transformation of the Securities charged hereunder and without the Attorney being required to register or re-register any notice whatsoever, the object of the Hypothec being a universality of present and future property.

4.2. Restricted Agreements and Excluded Property

4.2.1To the extent that granting a hypothec in any leases,

licences, instruments, contracts, intangibles, permits, governmental licenses, provincial, territorial or local franchises, charters or authorizations or other contracts or agreements (other than a Claim or a chattel paper) with or issued by Persons other than the Borrower or Subsidiaries of the Borrower or an Affiliate thereof (collectively, "**Restricted Agreements**") would invalidate or result in a violation, breach, default or termination of such Restricted Agreements or create a right of termination in favour of, or require the consent of, any party thereto (in each case other than the Borrower or a Subsidiary Guarantor) (in each case, except to the extent any such violation, breach, default, termination, right or consent would be rendered ineffective under the Civil Code or other applicable law), the Hypothec herein created on any Restricted Agreement is under the suspensive condition such that it shall only take effect (i) at such time as Grantor's grant of a hypothec in such Restricted Agreement no longer results in a violation, breach, default or termination thereof or thereunder or no longer creates such right of termination or such right has been waived requires such consent or such consent has been obtained, (ii) to the extent severable, in respect of any portion of such Restricted Agreement that does not result in a respective violation, breach, default, termination or right or consent thereof or thereunder and (iii) in respect of any proceeds or receivables of such Restricted Agreement that are not Excluded Property.

4.2.2 Notwithstanding anything contained herein to the contrary, the Attorney hereby irrevocably renounces to all rights and recourses of a hypothecary creditor, including the right to follow contemplated in Article 2700 and Article 2745 of the Civil Code or effect a filing pursuant to Article 2949 of the Civil Code, with respect to the Excluded Property for as long as such property remains Excluded Property.

5. AMOUNT OF THE HYPOTHEC

The amount for which the Hypothec is granted is a principal amount of ONE BILLION THREE HUNDRED TWENTY MILLION DOLLARS ($1,320,000,000) in lawful money of Canada, plus interest thereon from the date hereof at the rate of twenty-five percent (25%) per annum, calculated semi-annually, not in advance, to secure

the due payment of the Secured Obligations.

6. SECURED OBLIGATIONS

The Hypothec is granted to secure the due payment of the principal of the Bonds and all interest thereon, together with the payment of all sums due or to become due by the Grantor under or pursuant to this Deed and the due performance and observance by the Grantor of all obligations provided for under or pursuant to this Deed, including all fees and expenses incurred by or on behalf of the Attorney in the exercise of its rights and powers hereunder (collectively, the "**Secured Obligations**").

Any future obligation hereby secured shall be deemed to be one in respect of which the Grantor has once again obligated itself hereunder according to the provisions of article 2797 of the Civil Code.

7. ADDITIONAL PROVISIONS PERTAINING TO THE HYPOTHEC ON RENTAL INCOME AND LEASES

With respect to any of the Immovable (which does not constitute Excluded Property) generating Rent:

7.1. Information regarding Leases

The Grantor shall provide the Attorney, upon request, with a list containing the name of all tenants of any of the Immovables and details as to their leases.

7.2. Action to Recover Rents

The Attorney shall have the right, after the occurrence and of an Event of Default which is continuing, to bring an action for recovery of Rents provided the Attorney impleads the Grantor, it being understood that the Attorney shall be under no obligation to exercise such right and shall not be liable for any loss or damage which may result from its failure not to collect such Rents. The Attorney shall be at liberty to deduct from any Rents collected collection fees amounting to ten percent (10%) of all collected Rents as well as any commission usually charged by the Attorney for the collection of Rents, miscellaneous costs and expenses (copies, service fees, legal counsel fees and others, opening files, surveillance fees, execution fees or fees for cancellation of lease) incurred as a result of such collection.

8. ADDITIONAL PROVISIONS TO THE HYPOTHEC ON CLAIMS

8.1. Maintenance of Records

The Grantor will keep and maintain proper books and records of its Claims, in which full, true and correct entries in conformity with generally accepted accounting principles and all Requirements of Law shall be made of all such Claims, and the Grantor will make the same available on its premises to officers and designated representatives of the Attorney for inspection in accordance with the terms and conditions set forth in the TL Credit Agreement. Upon the occurrence and during the continuance of an Event of Default and at the request of the Attorney, the Grantor shall, at its own cost and expense, deliver all tangible evidence of its Claims (including, without limitation, all documents evidencing the Claims) and such books and records to the Attorney or to its representatives (copies of which evidence and books and records may be retained by the Grantor). Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and if the Attorney so requests, the Grantor shall legend, in form and manner satisfactory to the Attorney, the Claims, as well as books, records and documents (if any) of the Grantor evidencing or pertaining to such Claims with an appropriate reference to the fact that such Claims have been hypothecated and, if applicable, assigned to the Attorney and that the Attorney has a hypothec therein.

8.2. Direction to Account Debtors; Contracting Parties; etc.

Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, after giving notice to the Grantor of its intent to do so, if the Attorney so directs the Grantor, the Grantor agrees (i) to cause all payments on account of the Claims to be made directly to the Cash Collateral Account, (ii) that the Attorney may, at its option, directly notify the debtors of such claims in its own name or in the name of others with respect to any Claims to make payments with respect thereto as provided in the preceding clause (i) (a "**Notice to Debtors**"), and (iii) that the Attorney may enforce collection of any such Claims and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as the Grantor; provided that, (x) any failure by the Attorney to give or any delay in giving such notice to the Grantor shall not affect the effectiveness of such notice or the other rights of the Attorney created by this Section 8.2 and (y) no such notice shall be required if an Event of Default of the type

described in Section 10.01(e) of the TL Credit Agreement has occurred and is continuing. Subject to the terms of the ABL/Term Intercreditor Agreement, without notice to or assent by the Grantor, the Attorney may, upon the occurrence and during the continuance of an Event of Default, apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account toward the payment of the Secured Obligations in the manner provided in Section 13.10 of this Deed. The reasonable costs and expenses of collection (including reasonable legal fees), whether incurred by the Grantor or the Attorney, shall be borne by the Grantor. The Attorney shall deliver a copy of each Notice to Debtors to the Grantor, provided that (i) the failure by the Attorney to so notify the Grantor shall not affect the effectiveness of such notice or the other rights of the Attorney created by this Section 8.2 and (ii) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the TL Credit Agreement has occurred and is continuing.

8.3. Modification of Terms; etc.

Except in the Grantor's ordinary course of business and consistent with reasonable business judgment, or as permitted by Section 8.4 hereof or by the Credit Documents, the Grantor shall not rescind or cancel any indebtedness evidenced by any Claim, or modify any material term thereof or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Claim, or interest therein, without the prior written consent of the Attorney unless such rescissions, cancellations, modifications, adjustments, extensions, renewals, compromises, settlements, releases, or sales would not reasonably be expected to materially adversely affect the value of the Claims constituting Hypothecated Property taken as a whole. Except as otherwise permitted by the TL Credit Documents, the Grantor will not do anything to impair the rights of the Attorney in the Claims.

8.4. Collection

The Grantor shall endeavor in accordance with historical business practices to cause to be collected from the debtor or obligor, as the case may be, named in each of its Claims, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Claim, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Claim. The

Attorney hereby authorizes the Grantor to collect the Claims. Such authorization may be withdrawn by the Attorney upon the occurrence of an Event of Default which is continuing in accordance with what is provided for by law. Except as otherwise directed by the Attorney after the occurrence and during the continuation of an Event of Default or otherwise required pursuant to the TL Credit Agreement, the Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Claims (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which the Grantor finds appropriate in accordance with reasonable business judgment, (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which the Grantor finds appropriate in accordance with reasonable business judgment and (iii) any other adjustments necessary or desirable in the Grantor's reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable legal fees) of collection, whether incurred by the Grantor or the Attorney, shall be borne by the Grantor.

8.5. Claims Evidenced by Titles of Indebtedness

If the Grantor at any time holds or acquires any Claim evidenced by a title of indebtedness constituting Hypothecated Property with a face value in excess of $100,000 individually (other than cheques and other payment instruments received and collected in the ordinary course of business and promptly deposited into a Deposit Account), the Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the TL Credit Agreement following such acquisition, notify the Attorney thereof, and upon request by the Attorney (subject to the ABL/Term Intercreditor Agreement), promptly deliver such title of indebtedness to the Attorney appropriately endorsed in blank or to the order of the Attorney, provided that, so long as no Event of Default shall have occurred and be continuing, the Grantor may retain for collection in the ordinary course of business any title of indebtedness received by the Grantor in the ordinary course of business, and the Attorney shall, promptly upon request of the Grantor, make appropriate arrangements for making any title of indebtedness in its possession and pledged by the Grantor available to the Grantor for purposes of presentation, collection or renewal. If the Grantor retains possession of any title of indebtedness pursuant to the terms hereof, upon request of the Attorney, such title of indebtedness shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the hypothec of Bank of America, N.A.,

as *fondé de pouvoir*, for the benefit of itself and certain Secured Creditors."

8.6. Grantor Remains Liable Under Claims

Anything herein to the contrary notwithstanding, the Grantor shall remain liable under each of the Claims to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Claim. Neither the Attorney nor any Bondholder shall have any obligation or liability under any Claim (or any agreement giving rise thereto) by reason of or arising out of this Deed, nor shall the Attorney or any Bondholder be obligated in any manner to perform any of the obligations of the Grantor under or pursuant to any Claim (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Claim (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

8.7. Rights in Letters of Credit

If the Grantor is at any time a beneficiary under a letter of credit with a stated amount of $100,000 or more, the Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the TL Credit Agreement following the creation of such letter of credit, notify the Attorney thereof and, at the request of the Attorney after an Event of Default has occurred and is continuing, the Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Attorney, use its commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Attorney of the proceeds of any drawing under such letter of credit or (ii) arrange for the Attorney to become the transferee beneficiary of such letter of credit, with the Attorney agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Deed after the occurrence and during the continuance of an Event of Default (it being understood that unless an Event of Default has occurred and is continuing such proceeds shall be released to the Grantor).

8.8. Further Actions

The Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Attorney from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, publications, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps, including any and all actions as may be necessary or required relating to its Claims, instruments, titles of indebtedness and other property or rights which constitute Hypothecated Property, as the Attorney may reasonably require for the purpose of obtaining or preserving the full benefits of the Hypothec, rights and powers herein granted; provided that notwithstanding anything herein to the contrary, the Grantor shall not be required to (i) take any action to render opposable to third parties any hypothec or security interest in Hypothecated Property outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account; provided however, that upon the occurrence and during the continuance of an Event of Default (each such period, the "**Default Period**") and the Discharge of the ABL Obligations (as defined in the ABL/Term Intercreditor Agreement) in any such Default Period, the Attorney, during such Default Period (subject to the provisions of the ABL/Term Intercreditor Agreement) shall benefit from, and shall be entitled to, the "control" granted to the ABL Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) in any Deposit Account. On request by the Attorney, the Grantor shall provide the Attorney with details of all motor vehicles which are classified as equipment of the Grantor and all other serial numbered goods to which provisions of the Civil Code or regulations or orders under the Civil Code regarding serial numbers apply, in each case, having a fair market value in excess of $100,000.

9. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

The Grantor represents and warrants as of the date hereof, and, until the Termination Date, covenants, which representations, warranties and covenants shall survive execution and delivery of this Deed, as follows:

9.1. To pay principal and interest

To well, duly and punctually pay or cause to be paid to every holder of every Bond the principal thereof, premium, if any, and interest accrued thereon (including, in case of default, interest on the amount

in default) and all other monies payable to the Bondholders or hereunder at the dates and places, in the currencies and in the manner mentioned herein, in the Bonds and in any pledge thereof in favour of any Bondholders.

9.2. Necessary Publication Action

The Hypothec is a valid hypothec upon the Grantor's right, title and interest in and to the Hypothecated Property. Upon the publication of the present Deed at the Register of Personal and Movable Real Rights, the Land Register of Québec and at the Canadian Intellectual Property Office, as the case may be, the Hypothec will be duly opposable to third parties, provided, however, that additional filings may be necessary to render the Hypothec created herein opposable to third parties in any Recordable Intellectual Property and Immovables acquired after the date hereof.

Upon the actions taken under this Section 9.2, the Hypothec will be superior to and prior to all other Liens of all other Persons (other than Permitted Liens), and, subject to the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement, enforceable as such as against all other Persons (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) other than a transferee which acquires Hypothecated Property in the ordinary course of business.

9.3. No Liens

The Grantor is, and as to all Hypothecated Property acquired by it from time to time after the date hereof, the Grantor will be the owner of, or otherwise have the right to use, all Hypothecated Property free from any Lien of any Person (other than Permitted Liens), and the Grantor shall, at its own expense, take all commercially reasonable actions necessary to defend the Hypothecated Property against all claims and demands of all Persons at any time claiming the same or any interest therein materially adverse to the Attorney.

9.4. Other Registrations

As of the date hereof, the Grantor has not filed, nor authorized the publication or filing by any third party of any Register of Personal and Movable Real Rights or the Land Register of Québec registration (or similar statement or instrument of registration under the law of

any jurisdiction) covering or purporting to cover any interest of any kind in the Hypothecated Property (other than the registrations filed in respect of Permitted Liens), and so long as the Termination Date has not occurred, the Grantor will not authorize to be filed in any public office any registration (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Hypothecated Property, except registrations published or filed or to be filed in respect of and covering the Hypothec granted hereby or in connection with Permitted Liens.

9.5. Domicile and Registered Office

The domicile and the registered office of the Grantor is, on the date of this Deed, located at the address set forth in the appearance hereof. During the period of the four calendar months preceding the date of this Deed, the domicile and the registered office of the Grantor has not been located at any address other than that indicated in the appearance hereof in accordance with the immediately preceding sentence, in each case unless such other address has been disclosed to the Attorney.

9.6. Locations of Hypothecated Property

All Inventory, Equipment and other tangible personal property (having a fair market value in excess of $100,000 with respect to Hypothecated Property comprising Equipment only) held on the date hereof, or held at any time during the four calendar months prior to the date hereof, by the Grantor, other than Inventory in transit or Equipment moved in the ordinary course of business within the jurisdictions shown on Annex B to the Canadian Security Agreement, is located at one of the locations shown on Annex B to the Canadian Security Agreement. The Grantor shall not permit any of its Inventory, Equipment or other tangible personal property to be located out of the jurisdictions shown on Annex B to the Canadian Security Agreement without providing the Attorney with thirty (30) days advance written notice and promptly taking all action reasonably requested by the Attorney to maintain the hypothec in the Hypothecated Property intended to be granted hereby at all times fully opposable to third parties to the extent described in Section 9.2 and in full force and effect.

9.7. Legal Name; Type of Organization; Jurisdiction of

Organization; Location; Changes Thereto; etc.

As of the Closing Date, the exact legal name of the Grantor, the type of organization of the Grantor, the jurisdiction of organization of the Grantor and the organization identification number (if any) of the Grantor are listed on Annex C to the Canadian Security Agreement. The Grantor shall not change its legal name, its type of organization and its jurisdiction of organization from that used on Annex C to the Canadian Security Agreement, and the Grantor shall not change the location of its domicile and registered office from the address set forth in the appearance hereof except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve the Grantor changing its jurisdiction of organization or domicile, registered office from Canada or a province thereof to a jurisdiction of organization or domicile, registered office, as the case may be, outside Canada or a province thereof) if (i) it shall have given to the Attorney written notice of each change to the information listed on Annex C to the Canadian Security Agreement and of each change of the location of its registered office from the address set forth in the appearance hereof (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex C to the Canadian Security Agreement which shall update all information contained therein within five (5) Business Days of such change (or such longer period as agreed to by the Attorney) and (ii) in connection with such change or changes, it shall take all action reasonably requested by the Attorney to maintain the Hypothec of the Attorney in the Hypothecated Property intended to be granted hereby at all times fully opposable to third parties to the extent described in Section 9.2 and in full force and effect.

9.8. Trade Names; Etc.

The Grantor has not and does not operate in any jurisdiction under, or in the preceding five (5) years has not operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name as specified in Annex D to the Canadian Security Agreement and such other trade or fictitious names as are listed on Annex D to the Canadian Security Agreement.

9.9. Certain Significant Transactions

During the one year period preceding the date of this Deed, the

Grantor shall not have merged, amalgamated or consolidated with or into any Person, and no Person shall have liquidated into, or transferred all or substantially all of its assets to, the Grantor, in each case except the mergers, amalgamations, and consolidations contemplated by the Transaction and the mergers, amalgamations and consolidations described in Annex E to the Canadian Security Agreement. With respect to any transactions so described in Annex E to the Canadian Security Agreement, the Grantor shall have furnished such information with respect to the Person (and the assets of the Person and locations thereof) which merged with or into or amalgamated or consolidated with the Grantor, or was liquidated into or transferred all or substantially all of its assets to the Grantor, and shall have furnished to the Attorney such security searches as may have been reasonably requested with respect to such Person and its assets, to establish that no hypothecs or Liens (excluding Permitted Liens) continues to be opposable to third parties on the date hereof with respect to any Person described above (or the assets transferred to the Grantor by such Person).

9.10. Hypothecated Property in the Possession of Bailee

If any Inventory or other tangible movable property, the aggregate fair market value of which is equal to or greater than $1,000,000, are at any time in the possession of a bailee or depositary, the Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the TL Credit Agreement furnish the Attorney with written notice thereof and, if requested by the Attorney after an Event of Default has occurred and is continuing, shall use its reasonable efforts to promptly obtain an acknowledgment from such bailee or depositary, in form and substance reasonably satisfactory to the Attorney, that the bailee or depositary holds such Hypothecated Property for the benefit of the Attorney and shall act upon the instructions of the Attorney, without the further consent of the Grantor, subject to the ABL/Term Intercreditor Agreement. The Attorney agrees with the Grantor that the Attorney shall not give any such instructions unless an Event of Default has occurred and is continuing and upon notice from the Attorney of its intent to exercise remedies.

9.11. Recourse

This Deed is made with full recourse to the Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of the Grantor contained herein and otherwise in writing in connection herewith.

10. SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY RIGHTS

10.1. Additional Representations and Warranties

Annex G to the Canadian Security Agreement sets forth a complete and accurate list of all Recordable Intellectual Property that the Grantor owns. The Grantor represents and warrants that it is the sole owner of all right, title and interest in all Recordable Intellectual Property listed in Annex G to the Canadian Security Agreement. The Grantor further warrants that it has no knowledge of any written third party claim received by it within the last twelve (12) months that the Grantor or aspect of the Grantor's present business operations infringes, misappropriates, dilutes or otherwise violates any Intellectual Property Right of any other Person other than as has not, and would not, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The Grantor represents and warrants that no Recordable Intellectual Property listed in Annex G to the Canadian Security Agreement has been cancelled or is presently being opposed and, to the Grantor's knowledge, all such Recordable Intellectual Property is valid and subsisting, and the Grantor is not aware of any pending third-party claim that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said applications of Recordable Intellectual Property will not mature into registrations, other than would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The Grantor hereby grants to the Attorney an absolute power of attorney and mandate to sign, solely upon the occurrence and during the continuance of an Event of Default, any document which may be required by the Canadian Intellectual Property Office or any other governmental authority in order to effect an assignment of all right, title and interest in any Intellectual Property Rights constituting Hypothecated Property, and record the same.

10.2. Infringements

The Grantor agrees, within 60 days of the end of each fiscal quarter, to notify the Attorney in writing of the name and address of, and to furnish such pertinent information that may be available to the Grantor with respect to: (i) any party who the Grantor reasonably believes is infringing, misappropriating, diluting or otherwise violating any of the Grantor's rights in and to any Intellectual Property

Rights in any manner that would reasonably be expected to have a Material Adverse Effect, or (ii) any party claiming that the Grantor or the conduct of the Grantor's business infringes, misappropriates, dilutes or otherwise violates any intellectual property right of any third party in any manner that would reasonably be expected to have a Material Adverse Effect. The Grantor further agrees to prosecute diligently in accordance with its reasonable business judgment, any Person infringing, misappropriating, diluting or otherwise violating any Intellectual Property Right owned by it in any manner that would reasonably be expected to have a Material Adverse Effect.

10.3. Preservation of Trademarks

The Grantor agrees to use Trademarks that are material to the Grantor's business during the time in which this Deed is in effect to the extent required by the laws of Canada or other jurisdiction, as applicable, to maintain its rights in the Trademarks and to take all such other actions as are reasonably necessary to preserve the Trademarks under the laws of Canada or other jurisdiction, as applicable (other than any such Trademarks that are deemed by the Grantor in its reasonable business judgment to no longer be material to the conduct of the Grantor's business).

10.4. Maintenance of Registration

The Grantor shall, at its own expense, diligently maintain all material Recordable Intellectual Property, in accordance with its reasonable business judgment, including but not limited to affidavits of use and applications for renewals of registration for all of its material registered Trademarks and timely payment of all post-issuance fees required to maintain in force its rights under each issued Patent or registered Copyright, and shall pay all fees and disbursements in connection therewith and shall not abandon any such registration, filing of affidavit of use or application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Attorney, not to be unreasonably withheld (other than with respect to registrations and applications deemed by the Grantor in its reasonable business judgment to be no longer prudent to pursue).

10.5. Prosecution of Applications

At its own expense, the Grantor, in accordance with its reasonable business judgment, shall diligently prosecute all material applications for (i) Canadian Patents listed in Annex G to the Canadian Security Agreement and (ii) Copyrights listed in Annex G to the Canadian

Security Agreement, and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies (other than applications that are no longer material or are deemed by the Grantor in its reasonable business judgment to no longer be necessary in the conduct of the Grantor's business), absent written consent of the Attorney not to be unreasonably withheld.

10.6. After-Acquired Intellectual Property

In the event that the Grantor, either itself or through any agent, mandatary, employee, licensee or designee, files an application for or acquires any Recordable Intellectual Property following the date hereof, then the provisions of this Deed shall automatically apply thereto and any such Intellectual Property Right shall automatically constitute part of the Hypothecated Property and shall be subject to the Hypothec created hereunder, without further action by any party, and the Grantor shall within 60 days of the end of each fiscal quarter execute and deliver any and all agreements, instruments, documents and papers as necessary to evidence the Attorney's hypothec in such Recordable Intellectual Property provided that such agreements, instruments, documents and papers (the "**Writings**") are consistent with the terms of and conditions of this Deed and the Grantor hereby appoints the Attorney as its mandatary to execute and file such Writings, solely upon the occurrence and during the continuance of an Event of Default and solely for the foregoing purposes, all acts of such mandatary being hereby ratified and confirmed.

11. PROVISIONS CONCERNING ALL HYPOTHECATED PROPERTY

11.1. Protection of Attorney's Hypothec

Except as otherwise permitted by the Secured Debt Agreements (as defined in the Canadian Security Agreement), the Grantor will not impair the rights of the Attorney in the Hypothecated Property. The Grantor or an affiliate on behalf of the Grantor will at all times maintain insurance, at the Grantor's own expense to the extent and in the manner provided in the Secured Debt Agreements. If any Event of Default shall have occurred and be continuing, the Attorney shall, at the time any proceeds of such insurance are distributed to the Bondholders, apply such proceeds in accordance with Section 13.10 hereof. The Grantor assumes all liability and responsibility in connection with the Hypothecated Property acquired by it and the liability of the Grantor to pay the Secured Obligations shall in no way be affected or diminished by reason of the fact that such Hypothecated Property may be lost, destroyed, stolen, damaged or for any reason

whatsoever unavailable to the Grantor.

11.2. Additional Information

The Grantor will, at its own expense, from time to time upon the reasonable request of the Attorney, promptly furnish to the Attorney such information with respect to the Hypothecated Property (including the identity of the Hypothecated Property or such components thereof as may have been reasonably requested by the Attorney, the value and location of such Hypothecated Property, etc.) as may be requested by the Attorney.

11.3. Further Actions

The Grantor will, at its own expense and upon the reasonable request of the Attorney, make, execute, endorse, acknowledge, file and/or deliver to the Attorney from time to time such lists, descriptions and designations of its Hypothecated Property, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Hypothecated Property and other property or rights covered by the Hypothec hereby granted, which the Attorney deems reasonably appropriate or advisable to render the Hypothec opposable to third parties, preserve or protect its Hypothec in the Hypothecated Property; provided, that notwithstanding anything herein to the contrary, the Grantor shall not be required to (i) take any action to render opposable to third parties the Hypothec in any Hypothecated Property under the laws of any jurisdiction outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account.

11.4. Publication

The Grantor agrees to proceed to the publication of the present Deed at the Register of Personal and Movable Real Rights, the Land Register of Québec and the Canadian Intellectual Property Office, as the case may be, in form reasonably acceptable to the Attorney, as the Attorney may from time to time reasonably request to establish and maintain a valid, enforceable, opposable hypothec in the Hypothecated Property as provided herein and for the purpose of obtaining and preserving the full benefits of the other rights and hypothec contemplated hereby at least to the extent described in Section 9.2. The Grantor will pay any applicable publication fees, recordation taxes and related expenses relating to the Hypothecated

Property. The Grantor hereby authorizes the Attorney to proceed to the publications referred to in this Section 11.4 without the signature of the Grantor where permitted by law.

12. EVENTS OF DEFAULT

12.1. The Grantor shall be in default hereunder and the Hypothec hereby constituted shall become enforceable, upon the occurrence, without notice or other formality, of any one of the following events (each an "**Event of Default**"):

12.1.1 the occurrence of an "Event of Default" (as such term is defined in the TL Credit Agreement); or

12.1.2 the Grantor fails to pay, on demand, any principal of or interest on the Bonds or any other sum due hereunder.

13. ATTORNEY'S RIGHTS IN CASE OF DEFAULT

13.1. Exercise of rights

Subject to the terms and conditions of the ABL/Term Intercreditor Agreement, in the event that the Hypothec hereby constituted shall have become enforceable, the following provisions shall apply:

13.1.1 the Attorney shall, upon receipt of funding and indemnity satisfactory to the Attorney, and a Bondholders' Instrument, by notice in writing to the Grantor, demand payment of the principal of and interest on all Bonds then outstanding and other moneys secured hereby or owing by the Grantor hereunder and the same shall forthwith be and become immediately due and payable by the Grantor to the Attorney and the Grantor shall forthwith pay to the Attorney for the benefit of the Bondholders all such principal, interest and other moneys. Any such payment then made by the Grantor shall be deemed to have been made in discharge of its obligations hereunder or under the Bonds, and any money so received by the Attorney shall be applied in the same manner as if they were proceeds of realization of the Hypothecated Property;

13.1.2 if the Grantor shall have failed to pay the Attorney,

on demand, the principal of and interest on all Bonds outstanding together with any other amounts secured hereby or owing by the Grantor hereunder, the Attorney may, upon receipt of funding and indemnity satisfactory to the Attorney and a Bondholders' Instrument, proceed to realize the Hypothec created by this Deed and to exercise any right, recourse or remedy of the Attorney and of the Bondholders under this Deed or provided for by law, including without limitation any of the hypothecary rights and recourses provided for under the Civil Code and any rights or remedies provided to secured parties under any applicable personal property (movable) security legislation;

13.1.3no holder of Bonds shall have any right to institute any action or proceeding or to exercise any other remedy authorized by this Deed, by law or by equity for the purpose of enforcing payment of principal or interest or of realizing any security, or by reason of jeopardy of security, or for the execution of any power hereunder other than in accordance with the terms hereof, unless a Bondholders' Instrument shall have been tendered to the Attorney and the Attorney shall have received funding and indemnity satisfactory to it and the Attorney shall have failed to act within a reasonable time thereafter. In such case, but not otherwise, any Bondholder acting on behalf of itself and all other Bondholders shall be entitled to take proceedings such as the Attorney might have taken pursuant to the Bondholders' Instrument, for the equal benefit of all Bondholders; and

13.1.4the Attorney shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Attorney be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Attorney and in the absence of any such notice the Attorney may

for all purposes of this indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Attorney to determine whether or not the Attorney shall take action with respect to any default.

13.2. Rights of the Attorney

Subject to the terms and conditions of the ABL/Term Intercreditor Agreement, after the occurrence of an Event of Default which is continuing, whichever hypothecary rights or recourses the Attorney may decide to exercise or whichever other rights or recourses the Attorney may wish to exercise in law or in equity, in addition to any rights provided by law, the following provisions shall apply:

13.2.1in order to protect or to realize the value of the Hypothecated Property, the Attorney may, in its discretion, at the Grantor's expense;

13.2.1.1.pursue the transformation of the Hypothecated Property or any work in process or unfinished goods comprised in the Hypothecated Property and complete the manufacture or processing thereof or proceed with any operations to which such property are submitted by the Grantor in the ordinary course of its business and acquire property for such purposes;

13.2.1.2.alienate or dispose of any Hypothecated Property which may be obsolete, may perish or is likely to depreciate rapidly;

13.2.1.3.use for its benefit all information obtained while exercising its rights;

13.2.1.4.perform any of the Grantor's obligations or covenants hereunder;

13.2.1.5. exercise any right attached to the Hypothecated Property on such conditions and in such manner, as it may determine, acting reasonably;

13.2.1.6. take physical possession of any and all of the Hypothecated Property, and anything found therein, with the right for that purpose to enter without legal process upon any Hypothecated Property or any premises where the Hypothecated Property may be found, and maintain such possession on the Grantor's premises or remove any or all of the Hypothecated Property to such other places as the Attorney shall deem appropriate;

13.2.1.7. use, without charge, any equipment, machinery, process, information, records, computer programs and intellectual property of the Grantor;

13.2.1.8. maintain, repair, restore or renovate, and terminate, any construction work related to the Hypothecated Property, the whole at the Grantor's cost;

13.2.1.9. borrow monies or lend monies and, in such cases, the monies borrowed or lent by the Attorney or any Lender shall bear interest at the rate then obtained or charged by the Attorney or such Lender for such borrowing or loan; these monies shall be reimbursed by the Grantor on demand and, until they have been repaid in full, such monies and interest thereon shall be secured by the Hypothec and be paid in priority of any other sums secured hereunder;

13.2.2 the Attorney shall exercise its rights in good faith in order that, following the exercise thereof, the Secured Obligations may be reduced, in a reasonable manner, taking into account all

circumstances;

13.2.3the Attorney may, directly or indirectly, purchase or acquire any of the Hypothecated Property;

13.2.4the Attorney, when exercising its rights, may waive any right of the Grantor, with or without consideration therefor;

13.2.5the Attorney shall not be bound to take inventory, to take out insurance or to furnish any security;

13.2.6the Attorney shall not be bound to continue to carry on the Grantor's enterprise or to make the Hypothecated Property productive, or to maintain such property in operating condition;

13.2.7personally, or by agents, mandataries or attorneys, immediately take possession of the Hypothecated Property or any part thereof, from the Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon the Grantor's premises where any of the Hypothecated Property is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Grantor;

13.2.8instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Claims) constituting the Hypothecated Property to make any payment required by the terms of the applicable agreement, instrument or other obligation directly to the Attorney and may exercise any and all remedies of the Grantor in respect of such Hypothecated Property;

13.2.9sell, assign or otherwise liquidate any or all of the Hypothecated Property or any part thereof in accordance with Section 13.3 hereof, or direct the Grantor to sell, assign or otherwise liquidate any or all of the Hypothecated Property or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

13.2.10take possession of the Hypothecated Property or any part thereof, by directing the Grantor in writing to deliver the same to the Attorney at any reasonable place or places designated by the Attorney, in which event the Grantor shall at its own expense:

13.2.10.1.forthwith cause the same to be moved to the place or places so designated by the Attorney and there delivered to the Attorney;

13.2.10.2.store and keep any Hypothecated Property so delivered to the Attorney at such place or places pending further action by the Attorney as provided in Section 13.3 hereof; and

13.2.10.3.while the Hypothecated Property shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition;

13.2.11license or sublicense, whether on an exclusive or nonexclusive basis, any Intellectual Property Rights included in the Hypothecated Property (in the case of Trademarks, subject to reasonable quality control and subject to those exclusive licenses granted by the Grantor in effect on the date hereof and those granted by the Grantor hereafter to the extent permitted by the TL Credit Agreement) for such term and on such conditions and in such manner as the Attorney shall in its sole judgment determine, it being understood that any such license may be exercised, at the option of the Attorney, only upon the occurrence and during the continuance of an Event of Default; provided, that any such license shall be binding upon the Grantor notwithstanding any subsequent cure of an Event of Default;

13.2.12apply any monies constituting Hypothecated Property or proceeds thereof in accordance with the provisions of Section 13.10; and

13.2.13take any other action as specified in the Civil Code;

it being understood that the Grantor's obligation so to deliver the Hypothecated Property is of the essence of this Deed and that, accordingly, upon application to a court having jurisdiction, the Attorney shall be entitled to a decree requiring specific performance by the Grantor of said obligation.

13.3. Disposition of the Hypothecated Property

To the extent permitted by applicable law, if any Event of Default shall have occurred and be continuing, then any Hypothecated Property repossessed by the Attorney under or pursuant to Section 13.2 hereof and any other Hypothecated Property whether or not so repossessed by the Attorney, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Attorney may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Hypothecated Property may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Attorney or after any overhaul or repair at the expense of the Grantor which the Attorney shall reasonably determine to be commercially reasonable. Any such sale, lease or other disposition may be effected by means of a public disposition or private disposition, effected in accordance with the applicable requirements (in each case if and to the extent applicable) of the Civil Code and/or such other mandatory requirements of applicable law as may apply to the respective disposition. The Attorney may, without notice or publication, adjourn any public or private disposition or cause the same to be adjourned from time to time by announcement at the time and place fixed for the disposition, and such disposition may be made at any time or place to which the disposition may be so adjourned. To the extent permitted by any such requirement of law, the Attorney may bid for and become the purchaser (and may pay all or any portion of the purchase price by crediting Secured Obligations against the purchase price) of the Hypothecated Property or any item thereof, offered for disposition in accordance with this Section 13.3

without accountability to the Grantor. The Attorney may also accept the Hypothecated Property in satisfaction of the Secured Obligations. The Grantor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such disposition or dispositions of all or any portion of the Hypothecated Property valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Grantor's expense.

13.4. Taking in payment

If the Attorney elects to exercise its hypothecary recourse of taking in payment the Hypothecated Property and the Grantor requires, in accordance with the applicable provisions of the Civil Code, instead that the Attorney sell itself or under judicial authority the Hypothecated Property on which such right is exercised, the Grantor hereby acknowledges that the Attorney shall not be bound to abandon its recourse of taking in payment unless, prior to the expiry of the time period allotted for surrender, the Attorney (i) has been granted a security which it considers satisfactory, guaranteeing that said Hypothecated Property will be sold at a sufficiently high price to enable the principal of and interest on the Bonds and other moneys secured hereunder to be paid in full, (ii) has been reimbursed of all costs and expenses incurred, including all fees of consultants and legal counsel in connection with this Deed, the Hypothec herein and the indebtedness secured hereby, and (iii) has been advanced the necessary sums for the sale of said Hypothecated Property; the Grantor further acknowledges that the Attorney shall have the right to choose the type of sale it may carry out.

13.5. Surrender of Hypothecated Property

Upon notice by the Attorney declaring due and payable the principal of and interest on the Bonds and all other moneys secured hereby or owing by the Grantor hereunder, the Grantor shall surrender the Hypothecated Property to the Attorney.

13.6. Sale of Hypothecated Property

The Attorney may choose to sell the Hypothecated Property

with legal warranty given by the Grantor or with complete or partial exclusion of such warranty; the sale may also be made cash or with a term or under such conditions determined by the Attorney; it can be cancelled in case of non-payment of the purchase price and such Hypothecated Property may then be resold.

13.7. Use of premises

In order to exercise any of its rights, the Attorney may use the premises located in the Immovables without charge from the Grantor.

13.8. Several Administrators

Where several creditors are involved, the parties hereto waive the application of articles 1332 to 1338 inclusively of the Civil Code.

13.9. Waiver of Claims

Except as otherwise provided in this Deed, the Grantor hereby waives, to the extent permitted by applicable law, notice and judicial hearing in connection with the Attorney's taking possession or the Attorney's disposition of any of the Hypothecated Property, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies, and the Grantor hereby further waives, to the extent permitted by law:

13.9.1 all damages occasioned by such taking of possession or any such disposition except any damages which are the direct result of the Attorney's gross or intentional fault (as determined by a court of competent jurisdiction in a final and non-appealable decision);

13.9.2 all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Attorney's rights hereunder; and

13.9.3 all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Deed or the

absolute sale of the Hypothecated Property or any portion thereof, and the Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

13.10. Imputation of payments

Except as herein otherwise expressly provided, to the greatest extent permitted by all applicable law, the moneys and other proceeds arising from any sale or realization of the whole or any part of the Hypothecated Property, whether under any sale by the Attorney or by judicial process or otherwise, together with any other moneys or other proceeds then in the hands of the Attorney and available for such purpose, shall be applied on account of the principal and interest of the Bond or, at the option of the Attorney, may be held unappropriated in a collateral account in order to provide for payment of any charge or claim ranking prior to the Hypothec created hereunder.

13.11. Liability of Grantor

In the case of any judicial or other proceedings to enforce the Hypothec hereby created, the Grantor covenants and agrees with the Attorney that judgment may be rendered against it in favour of the Bondholders or in favour of the Attorney, as *fondé de pouvoir* for the Bondholders, for any amount which may remain due in respect of the Bonds after the application payment thereof of the proceeds of the sale of the Hypothecated Property or any part thereof.

13.12. Cumulative remedies

Each and every right, power and remedy hereby specifically given to the Attorney shall be in addition to every other right, power and remedy specifically given to the Attorney under this Deed, the other Secured Debt Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Attorney. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Attorney in the exercise of any such right, power or remedy and no renewal or extension of any of the Secured Obligations shall impair any such right, power or remedy or shall be construed to be a waiver

of any Default or Event of Default or an acquiescence thereof. No notice to or demand on the Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Attorney to any other or further action in any circumstances without notice or demand. In the event that the Attorney shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Attorney may recover reasonable expenses, including reasonable legal fees, and the amounts thereof shall be included in such judgment.

13.13. Discontinuance of Proceedings

In case the Attorney shall have instituted any proceeding to enforce any right, power or remedy under this Deed by taking in payment, sale or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Attorney, then and in every such case the Grantor, the Attorney and each holder of any of the Secured Obligations shall be restored to their former positions and rights hereunder with respect to the Hypothecated Property subject to the Hypothec created under this Deed, and all rights, remedies and powers of the Attorney shall continue as if no such proceeding had been instituted.

14. CONCERNING THE ATTORNEY

By way of supplement to the provisions of law relating to *fondé de pouvoir*, it is expressly agreed that:

14.1. the Attorney shall only be accountable for reasonable diligence in the management of its duties and rights hereunder, and shall not be liable for any action taken or omitted by it in connection herewith unless caused by its gross or intentional fault;

14.2. except as otherwise provided herein, the Attorney shall, with respect to all rights, powers and authorities vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof;

14.3. the Attorney shall have the right in its discretion to proceed in its name as Attorney hereunder to the enforcement of the Hypothec hereby constituted by any remedy provided herein

or by law, whether by legal proceedings or otherwise, but it shall not be bound to do or to take any act or action in virtue of the powers conferred on it by these presents unless and until it shall have been required to do so by way of a Bondholders' Instrument; the Attorney shall not be responsible or liable, otherwise than as a *fondé de pouvoir*, for any debts contracted by it, for damages to Persons or property or for salaries or non-fulfilment of contracts during any period for which the Attorney managed the Hypothecated Property upon entry, as herein provided, nor shall the Attorney be liable to account for anything except actual revenues or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable; the obligation of the Attorney to commence or continue any act, action or proceeding under this Deed shall, at the option of the Attorney, be conditional upon the Bondholders furnishing, when required, sufficient funds to commence or continue such action or proceeding and indemnity reasonably satisfactory to the Attorney;

14.4. in the event of the Grantor making an authorized assignment, or a custodian, trustee or liquidator being appointed in respect of the Grantor or its assets under the *Bankruptcy and Insolvency Act* or any analogous act or proceeding, or any legislation which replaces or supplements the foregoing, the Attorney may, if directed to do so by a Bondholders' Instrument, file and prove a claim, value security and vote and act at all meetings of creditors and otherwise in bankruptcy, insolvency or similar proceedings, as agent on behalf of the Bondholders;

14.5. subject to receiving sufficient funds or indemnity in accordance with Section 14.3, the Attorney shall be obliged to act and shall act and be fully protected in acting upon a Bondholders' Instrument in connection with any proceedings, act, power, right, matter or thing relating to or conferred by or to be done under this Deed; none of the provisions of this Deed shall require the Attorney to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights and powers unless indemnified as aforesaid;

14.6. the Attorney may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order,

letter, telecopier or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the property party or parties;

14.7. the Attorney may employ or retain such counsel, accountants, appraisers, engineers or other experts or advisors as it reasonably required for the purpose of determining and discharging its duties and administering the trusts hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct on the part of any of them. Any remuneration so paid by the Attorney shall be repaid to the Attorney as Secured Obligations;

14.8. the Attorney may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser, engineer or other expert or advisor, whether retained or employed by the Grantor or by the Attorney, in relation to any matter arising in the administration of the trusts hereof;

14.9. no Person dealing with the Attorney or its agent shall be concerned to enquire whether the Hypothec constituted hereby has become enforceable, or whether the powers which the Attorney is purporting to exercise have become exercisable, or whether any moneys remain due upon the Hypothec hereunder or the Bonds, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Attorney with the Hypothecated Property or any part thereof, or to see to the application of any moneys paid to the Attorney;

14.10. all rights of action under this Deed may be enforced by the Attorney without the possession of the Bonds hereby secured or the production thereof; and

14.11. the Attorney may resign from the performance of all of its functions and duties under this Deed at any time by giving at least thirty (30) days' prior written notice to the Grantor and each Bondholder. Such resignation shall take effect upon the appointment of a successor Attorney pursuant hereto. If a successor Attorney shall not have been appointed within such thirty (30) day period by the Majority Bondholders, the

Attorney shall then appoint a successor Attorney who shall serve as Attorney hereunder until such time, if any, as the Majority Bondholders appoint a successor Attorney as provided above. The Attorney may be removed at any time with or without cause by the Majority Bondholders, such removal to take effect upon the appointment of a successor Attorney by the Majority Bondholders. Any new or successor Attorney without further act shall be vested and have all rights, powers and authorities granted to the Attorney hereunder and be subject in all respects to the terms, conditions and provisions hereof. The resigning or removed Attorney following payment of all outstanding fees and expenses and the successor Attorney shall execute such assignments, agreements and other instruments, effect such registrations and do such acts and things as they deem appropriate or the Majority Bondholders may require in order that the successor Attorney possess all the rights and powers and have all the duties of the resigning or removed Attorney hereunder.

15. BONDHOLDERS' INSTRUMENTS

15.1. Amendments, Waivers; etc.

The Bondholders may, by Bondholders' Instrument, direct or authorize the Attorney to (a) modify any of the rights of the holders of the Bonds of all or any series against the Grantor or its undertaking and property, (b) exercise, or refrain from exercising, any power, right, remedy or authority given by this Deed or the Bonds, (c) waive any default on the part of the Grantor in complying with any provision of this Deed or the Bonds either unconditionally or upon any conditions specified in such Bondholders' Instrument, (d) assent to any compromise or arrangement with any creditor or creditors of the Grantor, (e) assent to any modification of or change in or addition to the provisions of this Deed provided however that the Attorney may decline to agree, in its discretion, to any modification, abrogation, alteration, compromise or arrangement which would adversely affect its rights, (f) grant any approval or consent herein provided to be given by the Bondholders or make any determination herein provided to be made by the Bondholders, (g) sanction any scheme of reorganization, consolidation, merger or amalgamation of the Grantor on such terms as may be provided in such Bondholders' Instrument, (h) amend, alter or repeal any previous Bondholders' Instrument, and (i) sign such other deeds, instruments or take such other action or refrain from taking any action as may be specified in such Bondholders' Instrument. Every Bondholders' Instrument shall be

binding on all the Bondholders, whether signatories thereto or not, and each and every Bondholder and the Attorney shall be bound to give effect accordingly to every such Bondholders' Instrument.

The Attorney may also, without the consent or concurrence of the Bondholders by Bondholders' Instrument, by supplemental deed or indenture or otherwise, concur with the Grantor in making any changes or corrections in this Deed which it shall have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omission or mistake or manifest error contained herein or in any deed or indenture supplemental or ancillary hereto, provided that in the opinion of the Attorney the rights of the Attorney and of the Bondholders are in no way prejudiced thereby.

16. INDEMNITY

16.1. Indemnity and Expense Reimbursement

The terms of Section 12.01 of the TL Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

16.2. Indemnity Obligations Secured by Hypothecated Property; Survival

Any amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement shall constitute Secured Obligations secured by the Hypothecated Property. The indemnity obligations of the Grantor contained in the TL Credit Agreement shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, and Term Loans made, under the TL Credit Agreement and the payment of all other Secured Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

17. MISCELLANEOUS

17.1. Notices

Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall not be effective until received by the Attorney or the Grantor, as the case

may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to the Grantor, c/o:

100 Domain Drive
Exeter, New Hampshire 03833, USA
Attention: Michael Wall, Vice President
and General Counsel
Facsimile: 603-430-7332
Telephone.: 603-610-5805
E-mail: Michael.Wall@bauer.com

(b) if to the Attorney, at:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202, USA
Attn: Ronaldo Naval
Phone: 214-209-1162
Email: ronaldo.naval@baml.com
Fax Number: 877-511-6124

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

17.2. Waiver; Amendment

Except as provided in Section 17.6, none of the terms and conditions of this Deed may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Grantor and the Attorney (with the written consent of the Majority Bondholders).

17.3. Obligations Absolute

To the maximum extent permitted by applicable law, the obligations of the Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Deed or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or

any security for any of the Secured Obligations; whether or not the Grantor shall have notice or knowledge of any of the foregoing.

17.4. Successors and Assigns

This Deed shall create a continuing hypothec in the Hypothec and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 17.6, (ii) be binding upon the Grantor, its successors and assigns; provided, however, that the Grantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Attorney (with the prior written consent of the Majority Bondholders), and (iii) enure, together with the rights and remedies of the Attorney hereunder, to the benefit of the Attorney and the Bondholders and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by the Grantor herein or in any certificate or other instrument delivered by the Grantor or on its behalf under this Deed shall be considered to have been relied upon by the Bondholders and shall survive the execution and delivery of this Deed regardless of any investigation made by the Bondholders or on its behalf.

17.5. Grantor's Duties

It is expressly agreed, anything herein contained to the contrary notwithstanding, that the Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Hypothecated Property and the Attorney shall not have any obligations or liabilities with respect to any Hypothecated Property by reason of or arising out of this Deed, nor shall the Attorney be required or obligated in any manner to perform or fulfill any of the obligations of the Grantor under or with respect to any Hypothecated Property.

17.6. Termination; Release

17.6.1 After the Termination Date, this Deed shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Hypothecated Property shall revert to the Grantor (provided that all indemnities set forth herein including, without limitation in Section 16.1 hereof, shall survive such termination) and the Attorney, at the request and expense of the Grantor, will promptly execute and deliver to the Grantor a proper instrument or instruments (including discharges to be published at the Register of Personal and Movable Real

Rights and the Land Register of Québec) acknowledging the satisfaction and termination of this Deed, and will duly assign, transfer and deliver to the Grantor (without recourse and without any representation or warranty) such of the Hypothecated Property as may be in the possession of the Attorney and as has not theretofore been sold or otherwise applied or released pursuant to this Deed.

17.6.2 In the event that, at any time prior to the Termination Date, any part of the Hypothecated Property is sold or otherwise disposed of (to a Person other than a Credit Party) in connection with a sale or disposition permitted by Section 9.02 of the TL Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 12.11 of the TL Credit Agreement), and the fruits and revenues of such sale or disposition (or from such release) are applied in accordance with the terms of the TL Credit Agreement, to the extent required to be so applied, the Attorney, at the request and expense of the Grantor, will duly release from the Hypothec created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to the Grantor (without recourse and without any representation or warranty) such of the Hypothecated Property as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Attorney and has not theretofore been released pursuant to this Deed.

17.6.3 At any time that the Grantor desires that the Attorney take any action to acknowledge or give effect to any release of Hypothecated Property pursuant to the foregoing Section 17.6.2, the Grantor shall deliver to the Attorney (and the relevant nominee or mandatary, if any, designated hereunder) a certificate signed by a Responsible Officer of the Grantor stating that the release of the respective Hypothecated Property is permitted pursuant to such Section 17.6.2. At any time that either the Borrower or the Grantor desires that a Subsidiary of the Borrower which has been released from the Subsidiaries Guaranty be released hereunder as provided in the last sentence of Section 17.6.2, it shall deliver to the Attorney a certificate signed by a Responsible Officer of the Borrower and the Grantor stating that the release of the Grantor (and its

Hypothecated Property) is permitted pursuant to such Section 17.6.2.

17.6.4 The Attorney shall have no liability whatsoever to any Bondholder as the result of any release of Hypothecated Property by it in accordance with (or which the Attorney in the absence of gross or intentional fault believes to be in accordance with) this Section 17.6.

17.7. Severability

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17.8. Irrevocable Mandate

Subject to the terms of the ABL/Term Intercreditor Agreement, the Grantor hereby constitutes and appoints the Attorney its true and lawful attorney and mandatary, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of the Grantor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to the Grantor under or arising out of the Hypothecated Property, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Attorney may deem to be reasonably necessary or advisable to protect the interests of the Bondholders.

17.9. Additional Security

The Hypothec is hereby created in addition to and not in substitution of or in replacement for any other Lien held or which may hereafter be held by the Attorney and does not affect the Attorney's rights of compensation and set-off.

17.10. Compensation

Provided the Secured Obligations are due and exigible or the Attorney is entitled to declare them owing and exigible, the Attorney may compensate and set-off these obligations with any and all amounts due to it, in its capacity as *fondé de pouvoir* for the Bondholders, by

the Grantor, on any account whatsoever, whether such amount be exigible or not, and the Attorney shall then be deemed to have exercised such right to compensate and set-off as at the time the decision was taken by it even though the appropriate entries have not yet been made in its records.

17.11. Time of Essence

The mere lapse of time provided for to the Grantor to perform its obligations or the arrival of the term shall automatically create a default, without any obligation for the Attorney to serve any notice or prior notice to the Grantor.

17.12. Grantor to Execute Confirmatory Deeds and Additional Documents

In case of any sale under the provisions of this Deed or at law, whether by the Attorney or under judicial proceedings, the Grantor agrees that it will execute and deliver to the purchaser on demand any instrument reasonably necessary to confirm to the purchaser the title of the property so sold and, in case of any such sale, the Attorney is hereby irrevocably authorized by the Grantor to execute on its behalf and in its name any such confirmatory instrument.

Furthermore, the Grantor undertakes to sign a notice given in virtue of article 2949 of the Civil Code with regard to the Immovables where the Grantor's signature is necessary.

17.13. Not a Floating Hypothec or Trust

The Hypothec is not, nor shall it be construed as, a floating hypothec within the meaning of articles 2715 *et. seq*. of the Civil Code nor shall this Deed be deemed as creating a trust within the meaning of article 1260 of the Civil Code.

17.14. Waiver

Where the Grantor has taken an Immovable in payment for an hypothecated claim ranking prior to the Hypothec, the Grantor waives its right to take advantage of the provisions of Section 2771 of the Civil Code.

To the extent necessary or useful, the parties hereby waive the application of Section 32 of an *Act Respecting the Special Powers of Legal Persons*, R.S.Q., c. P-16 and of Articles 1310 and 2147 of the

Civil Code. Each party renounces any right it may have to invoke the nullity of the Deed, the Bond and all related security documents governed by the laws of the Province of Québec as a result of the application of Section 32 of the *Act Respecting the Special Powers of Legal Persons* (Québec) or any other applicable law.

18. FORM OF BONDS

The Bonds shall be in substantially the following form subject to such alterations as may be approved by the Attorney, such approval to be conclusively evidenced by the certification by the Attorney of Bonds with such alterations incorporated therein:

[NAME OF GRANTOR]

(existing under the laws of [●])

CANADA

PROVINCE OF QUÉBEC

25% MORTGAGE DEMAND BOND

No. _____ Cdn $_____

[NAME OF GRANTOR], a corporation governed by the laws of Canada (the " **Grantor**"), having its registered office at [●], for value received promises, on demand, to pay to BANK OF AMERICA, N.A., in its capacity as Collateral Agent under the TL Credit Agreement (as defined in the Deed), or to any registered assign, at the office of BANK OF AMERICA, N.A. located at 901 Main Street, 14th Floor, Dallas, Texas, USA, 75202 upon presentation and surrender thereat of this Bond, the sum of _____ Canadian Dollars (Cdn $_____) in lawful money of Canada and to pay on demand interest thereon in like money at the same place, at an annual rate of twenty-five percent (25%) per annum, calculated semi-annually, from the date hereof, both before and after demand, maturity and judgment, with interest on overdue interest at the same rate, calculated semi- annually.

This Bond is one of the 25% Mortgage Demand Bonds issued under a Deed of Hypothec and Issue of Mortgage Bonds dated April 15, 2014 (the "**Deed**") made between **[NAME OF GRANTOR]**, as Grantor, and BANK OF AMERICA, N.A., as *fondé de pouvoir* (the "**Attorney**"). Reference is made to the Deed and to the deed or deeds, if any, supplemental thereto for a statement of the property

hypothecated and subjected to the hypothec thereunder, the nature and extent of the security, the rights of the holder of this Bond under the same and the terms and conditions on which the Bonds may be issued, certified and transferred.

This Bond shall not become obligatory for any purpose until it shall have been certified by or on behalf of the Attorney for the time being under the Deed.

The holder of this Bond acknowledges and confirms by its acceptance of such Bond that the Attorney is a person holding the power of attorney (the *fondé de pouvoir*) of the holders of all Bonds issued under the Deed for the purpose of and as provided in the Deed.

The Grantor by its signature on the one hand and the holder and any transferee of this Bond by their acceptance of this Bond on the other hand acknowledge that they have expressly required it to be drawn up in the English language. *La société, par sa signature, d'une part, et le détenteur et tous cessionnaires de cette obligation par leur acceptation, d'autre part, déclarent qu'ils ont expressément exigé qu'elle soit rédigée en langue anglaise.*

IN WITNESS WHEREOF, **[NAME OF GRANTOR]** has caused this Bond to be signed by its undersigned representative and to be dated the _____ (____th) day of _____, 20____, at the City of Montréal, Province of Québec.

[NAME OF GRANTOR]
Per:

_____
Name:
Title:

FONDÉ DE POUVOIR'S CERTIFICATE

This Bond is one of the 25% Mortgage Demand Bonds within mentioned.

Date: _____

BANK OF AMERICA, N.A.

Per:

___
(duly authorized)

Per:

___
(duly authorized)

19. GOVERNING LAW

This Deed shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

20. CONFLICT; ABL/TERM INTERCREDITOR AGREEMENT

This Deed and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Deed, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Attorney pursuant to any Credit Document and the exercise of any right or remedy in respect of the Hypothecated Property by the Attorney hereunder or a Secured Creditor under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Deed and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Grantor shall not be required hereunder or under any Credit Document to take any action with respect to the Hypothecated Property that is inconsistent with the Grantor's obligations under the ABL/Term Intercreditor Agreement.

21. ENGLISH LANGUAGE

The parties hereby confirm their express wish that the present Deed

and all documents and agreements directly and indirectly related thereto be drawn up in English. Notwithstanding such express wish, the parties agree that any of such documents and agreements or any part thereof or of this Deed may be drawn up in French.

Les parties reconnaissent leur volonté expresse que le présent acte ainsi que tous les documents et conventions qui s'y rattachent directement ou indirectement soient rédigés en langue anglaise. Nonobstant telle volonté expresse, les parties conviennent que n'importe quel desdits documents et conventions ou toute partie de ceux-ci ou de cet acte puissent être rédigés en français.

WHEREOF ACTE, done and passed at the City of Montréal, Province of Québec, on the date hereinabove first mentioned and remaining of records in the office of the undersigned Notary under minute number

The representatives of the parties declared to the said Notary to have taken cognizance of the present deed and to have exempted the said Notary from reading same or causing same to be read, following which the representatives of the parties signed in the presence of the Notary and as follows:

BANK OF AMERICA, N.A.

Per: __
Joëlle Girard
Authorized
Representative

[NAME OF GRANTOR]

Per: __
Howard Rosenoff
Authorized
Representative

WILLIAM DION-BERNARD, Notary

EXHIBIT H

FORM OF SUBSIDIARIES GUARANTY

[See Attached.]

TERM LOAN GUARANTY

TERM LOAN GUARANTY, dated as of April 15, 2014 (as amended, modified or supplemented from time to time, this "**Guaranty**"), made by each of the undersigned guarantors (each a " **Guarantor**" and, together with any other entity that becomes a guarantor hereunder pursuant to Section 26 hereof, the "**Guarantors**"). Except as otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, BAUER PERFORMANCE SPORTS LTD. (the " **Borrower**"), the lenders party thereto from time to time (the "**Lenders**") and Bank of America, N.A., as administrative agent (together with any successor administrative agent, the " **Administrative Agent**") have entered into a Term Loan Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "**Credit Agreement**"), providing for the making of Term Loans to the Borrower as contemplated therein (the Lenders, the Collateral Agent, the Administrative Agent and each other agent named therein are herein called the " **Secured Creditors**");

WHEREAS, each Guarantor is a Subsidiary of the Borrower;

WHEREAS, it is a condition to the making of Term Loans to the Borrower under the Credit Agreement that each Guarantor shall have executed and delivered this Guaranty; and

WHEREAS, each Guarantor will obtain benefits from the incurrence of Term Loans by the Borrower under the Credit Agreement and, accordingly, desires to execute this Guaranty in order to satisfy the condition described in the preceding paragraph;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Guarantor, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby makes the following representations and warranties to the Secured Creditors and hereby covenants and agrees with each Secured Creditor as follows:

1. Each Guarantor, jointly and severally, irrevocably, absolutely and unconditionally guarantees the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all now existing or hereafter arising debts, obligations, covenants, and duties of payment or performance of every kind, matured or unmatured, direct or contingent, owing, arising, due, or payable to any Lender, Agent or Indemnified Person by any Credit Party arising out of the Credit Agreement or any other Credit Document (other than the ABL/Term Intercreditor Agreement), including, without limitation, all obligations to repay principal or interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Term Loans, and to pay interest, fees, costs, charges, expenses, professional fees, and all sums chargeable to the

Borrower or for which the Borrower is liable as indemnitor under the Credit Documents, whether or not evidenced by any note or other instrument (collectively, the "**Guaranteed Obligations**"). Each Guarantor understands, agrees and confirms that the Secured Creditors may enforce this Guaranty up to the full amount of the Guaranteed Obligations against such Guarantor without proceeding against any other Guarantor, the Borrower, any security for the Guaranteed Obligations, or under any other guaranty (including the Credit Party Guaranty) covering all or a portion of the Guaranteed Obligations.

2. Additionally, each Guarantor, jointly and severally, unconditionally, absolutely and irrevocably, guarantees the payment of any and all Guaranteed Obligations whether or not due or payable by the Borrower upon the occurrence in respect of the Borrower of any of the events specified in Section 10.01(e) of the Credit Agreement, and unconditionally and irrevocably, jointly and severally, promises to pay such Guaranteed Obligations to the Secured Creditors, or order, on demand. This Guaranty shall constitute a guaranty of payment, and not of collection.

3. The liability of each Guarantor hereunder is primary, absolute, joint and several, and unconditional and is exclusive and independent of any security for or other guaranty of the indebtedness of the Borrower, whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by any circumstance or occurrence whatsoever, including, without limitation: (a) any direction as to application of payment by the Borrower or any other party, (b) any other continuing or other guaranty, undertaking or maximum liability of a Guarantor or of any other party as to the Guaranteed Obligations, (c) any payment on or in reduction of any such other guaranty or undertaking (other than payment of the Guaranteed Obligations in cash in accordance with the terms hereof to the extent of such payment), (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, (e) any payment made to any Secured Creditor on the indebtedness which any Secured Creditor repays the Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, or (f) any action or inaction by the Secured Creditors as contemplated in Section 6 hereof or (g) any invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor.

4. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor or the Borrower and whether or not any other Guarantor, any other guarantor or the Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefits of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstance which operates to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to each Guarantor.

5. To the fullest extent permitted under applicable law, each Guarantor hereby waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives

promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Administrative Agent or any other Secured Creditor against, and any other notice to any party liable thereon (including such Guarantor, any other Guarantor, any other guarantor or the Borrower).

6. Any Secured Creditor may at any time and from time to time without the consent of, or notice to, any Guarantor (except as shall be required by applicable statute and cannot be waived), without incurring responsibility to such Guarantor, without impairing or releasing the obligations of such Guarantor hereunder, upon or without any terms or conditions and in whole or in part:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, increase, accelerate or alter, any of the Guaranteed Obligations (including any increase or decrease in the rate of interest thereon or the principal amount thereof), any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, renewed or altered;

(b) take and hold security for the payment of the Guaranteed Obligations and sell, exchange, release, surrender, impair, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset there against;

(c) exercise or refrain from exercising any rights against the Borrower, any other Credit Party, any Subsidiary thereof or otherwise act or refrain from acting;

(d) release or substitute any one or more endorsers, Guarantors, other guarantors, Borrowers or other obligors;

(e) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower to creditors of the Borrower other than the Secured Creditors;

(f) except as otherwise expressly required by the Security Documents, apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower to the Secured Creditors regardless of what liabilities of the Borrower remain unpaid;

(g) consent to or waive any breach of, or any act, omission or default under any Credit Document or any of the instruments or agreements referred to therein, or otherwise amend, modify or supplement any of the Credit Documents or any of such other instruments or agreements;

(h) act or fail to act in any manner which may deprive such Guarantor of its right to subrogation against the Borrower to recover full indemnity for any payments made pursuant to this Guaranty; and/or

(i) take any other action that would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of such Guarantor from its liabilities under this Guaranty.

7. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of any Secured Creditor in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies expressly specified herein or in any other Credit Document are cumulative and not exclusive of any rights, powers or remedies which any Secured Creditor would otherwise have. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Secured Creditor to any other or further action in any circumstances without notice or demand. It is not necessary for any Secured Creditor to inquire into the capacity or powers of the Borrower or the officers, directors, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

8. Any indebtedness of the Borrower now or hereafter owing to any Guarantor is hereby subordinated to the Guaranteed Obligations of the Borrower to the Secured Creditors, and such Guaranteed Obligations of such Borrower to any Guarantor, if the Administrative Agent or the Collateral Agent, after the occurrence and during the continuance of an Event of Default, so requests, shall be collected, enforced and received by such Guarantor as trustee for the Secured Creditors and be paid over to the Secured Creditors on account of the Guaranteed Obligations of the Borrower to the Secured Creditors, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Guaranty. Without limiting the generality of the foregoing, each Guarantor hereby agrees with the Secured Creditors that it will not exercise any right of subrogation which it may at any time otherwise have as a result of this Guaranty (whether contractual, under Section 509 of the Bankruptcy Code or any similar provision of any other Debtor Relief Law, or otherwise) until all Guaranteed Obligations have been irrevocably paid in full in cash.

9. (a) Each Guarantor waives any right (except as shall be required by applicable law and cannot be waived) to require the Secured Creditors to: (i) proceed against the Borrower, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party; (ii) proceed against or exhaust any security held from the Borrower, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party; or (iii) pursue any other remedy in the Secured Creditors' power whatsoever. Each Guarantor waives any defense based on or arising out of any defense of the Borrower, any other Guarantor, any other guarantor of the

Guaranteed Obligations or any other person or party other than payment in full in cash of the Guaranteed Obligations, including, without limitation, any defense based on or arising out of the disability of the Borrower, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party, or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full in cash of the Guaranteed Obligations. The Secured Creditors may, at their election, foreclose on any security held by the Administrative Agent, the Collateral Agent or any other Secured Creditor by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, or exercise any other right or remedy any Secured Creditors may have against the Borrower or any other person or party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full in cash. Each Guarantor waives, to the fullest extent permitted under law, any defense arising out of any such election by the Secured Creditors, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other party or any security.

(b) Each Guarantor waives, to the fullest extent permitted under law, all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Secured Creditors shall have no duty to advise any Guarantor of information known to them regarding such circumstances or risks.

10. The Secured Creditors agree that this Guaranty may be enforced only by the action of the Administrative Agent or any Collateral Agent, in each case acting upon the instructions of the Required Lenders and that no other Secured Creditors shall have any right individually to seek to enforce or to enforce this Guaranty, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent or the Collateral Agent for the benefit of the Secured Creditors upon the terms of this Guaranty. The Secured Creditors further agree that this Guaranty may not be enforced against any director, officer, employee, partner, member or stockholder of any Guarantor (except to the extent such partner, member or stockholder is also a Guarantor hereunder).

11. In order to induce the Lenders to make Term Loans to the Borrower pursuant to the Credit Agreement, each Guarantor represents, warrants and covenants that:

(a) Such Guarantor (i) is a duly organized and validly existing corporation, partnership or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, (ii) has the corporate, partnership or limited liability company power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction

where the conduct of its business requires such qualification except for failures to be so qualified which, either individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect.

(b) Such Guarantor has the corporate, partnership or limited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of this Guaranty and each other Credit Document to which it is a party and has taken all necessary corporate, partnership or limited liability company action, as the case may be, to authorize the execution, delivery and performance by it of this Guaranty and each such other Credit Document. Such Guarantor has duly executed and delivered this Guaranty and each other Credit Document to which it is a party, and this Guaranty and each such other Credit Document constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, except to the extent that the enforceability hereof or thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(c) Neither the execution, delivery or performance by such Guarantor of this Guaranty or any other Credit Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, will (i) contravene any provision of any applicable law, statute, rule or regulation or any applicable order, writ, injunction or decree of any court or governmental instrumentality, (ii) conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents or Permitted Liens) upon any of the property or assets of such Guarantor or any of its Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, credit agreement, or any other material agreement, contract or instrument, in each case to which such Guarantor or any of its Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject (except, in the case of preceding clauses (i) and (ii), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect) or (iii) violate any provision of the certificate or articles of incorporation or by-laws (or equivalent organizational documents) of such Guarantor or any of its Subsidiaries.

(d) Except to the extent the failure to obtain or make the same would not reasonably be expected to have a Material Adverse Effect, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except for (x) those that have otherwise been obtained or made on or prior to the Closing Date and which remain in full force and effect on the Closing Date and (y) filings which are necessary to perfect the security interests or hypothecs created under the Security Documents), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required to be obtained or made by, or on behalf of, any Guarantor in connection with, the execution, delivery and performance of this Guaranty by such

Guarantor or any other Credit Document to which such Guarantor is a party.

(e) There are no actions, suits or proceedings pending or, to such Guarantor's knowledge, threatened (i) with respect to this Guaranty or any other Credit Document to which such Guarantor is a party or (ii) with respect to such Guarantor or any of its Subsidiaries that, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect.

12. Each Guarantor covenants and agrees that on and after the Closing Date and until the Termination Date, such Guarantor will comply, and will cause each of its Subsidiaries to comply, with all of the applicable provisions, covenants and agreements contained in Articles 8 and 9 of the Credit Agreement, and will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that it is not in violation of any provision, covenant or agreement contained in Articles 8 or 9 of the Credit Agreement, so that no Default or Event of Default is caused by the actions of such Guarantor or any of its Subsidiaries. As used in this Agreement, "**Termination Date**" shall mean the date upon which the Aggregate Commitments under the Credit Agreement have been terminated, no Note under the Credit Agreement is outstanding and all Term Loans thereunder have been repaid in full.

13. The Guarantors hereby jointly and severally agree to pay all reasonable out- of-pocket costs and expenses of each Secured Creditor in connection with the enforcement of this Guaranty (including, without limitation, the reasonable fees and disbursements of counsels employed by each of the Secured Creditors, consistent with the arrangements provided for in the Credit Agreement) and of the Administrative Agent and the Collateral Agent in connection with any amendment, waiver or consent relating hereto (including, without limitation, the reasonable fees and disbursements of counsels employed by each of the Agents).

14. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the Secured Creditors and their successors and assigns.

15. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except with the written consent of each Guarantor directly affected thereby and with the written consent of either the Administrative Agent, the Collateral Agent and the Required Lenders (or, to the extent required by Section 12.10 of the Credit Agreement, with the written consent of each Lender) at all times prior to the time on which all Guaranteed Obligations have been paid in full (it being understood that the addition or release of any Guarantor hereunder in accordance with the terms hereof or the Credit Agreement shall not constitute a change, waiver, discharge or termination affecting any Guarantor other than the Guarantor so added or released and shall not require the consent of any Secured Creditor other than the Administrative Agent).

16. Each Guarantor acknowledges that an executed (or conformed) copy of each of the Credit Documents has been made available to a senior officer of such Guarantor and such officer is familiar with the contents thereof.

17. In addition to any rights now or hereafter granted under applicable law (including, without limitation, Section 151 of the New York Debtor and Secured Creditor Law) and not by way

of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement), each Secured Creditor is hereby authorized, at any time or from time to time, without notice to any Guarantor or to any other Person, any such notice being expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Secured Creditor to or for the credit or the account of such Guarantor, against and on account of the obligations and liabilities of such Guarantor to such Secured Creditor under this Guaranty, irrespective of whether or not such Secured Creditor shall have made any demand hereunder and although said obligations, liabilities, deposits or claims, or any of them, shall be contingent or unmatured.

18. All notices, requests, demands or other communications pursuant hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by overnight courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Administrative Agent or any Guarantor shall not be effective until received by the Administrative Agent or such Guarantor, as the case may be. All notices and other communications shall be in writing and addressed to such party at (i) in the case of any Secured Creditor, as provided in the Credit Agreement or (ii) in the case of any Guarantor, at: Bauer Performance Sports Ltd. 100 Domain Drive, Exeter, NH, 03833, Attention: Michael Wall, Vice President and General Counsel, Telephone No.: 606-610-5805, Telecopier No.: 603-430-7332; or in any case at such other address as any of the Persons listed above may hereafter notify the others in writing.

19. If claim is ever made upon any Secured Creditor for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including the Borrower) then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

20. (a) THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE SECURED CREDITORS AND OF THE UNDERSIGNED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS THAT WOULD CAUSE THE LAW OF ANY OTHER JURISDICTION TO APPLY. Any legal action or proceeding with respect to this Guaranty or any other Credit Document to which any Guarantor is a party may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York in each case which are located in the County of New York, and, by execution and delivery of this Guaranty, each Guarantor and each Secured Creditor (by its

acceptance of the benefits of this Guaranty) hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby further irrevocably waives any claim that any such court lacks personal jurisdiction over it, and agrees not to plead or claim in any legal action or proceeding with respect to this Guaranty or any other Credit Document to which it is a party brought in any of the aforesaid courts that any such court lacks personal jurisdiction over such Guarantor. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth in Section 18 hereof, such service to become effective 30 days after such mailing. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other Credit Document to which it is a party that such service of process was in any way invalid or ineffective. Nothing herein shall affect the right of any such party to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

(b) Each Guarantor and each Secured Party (by its acceptance of the benefits of this Guaranty) hereby irrevocably waives (to the fullest extent permitted by applicable law) any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty or any other Credit Document to which such Guarantor is a party brought in the courts referred to in clause (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) EACH GUARANTOR AND EACH SECURED CREDITOR (BY ITS ACCEPTANCE OF THE BENEFITS OF THIS GUARANTY) HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY, THE OTHER CREDIT DOCUMENTS TO WHICH SUCH GUARANTOR IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

21. In the event that a Guarantor becomes an Excluded Subsidiary or all of the capital stock of a Guarantor is sold or otherwise disposed of or liquidated in compliance with the requirements of Section 9.02 of the Credit Agreement (or such sale or other disposition has been approved in writing by the Required Lenders (or all the Lenders if required by Section 12.10 of the Credit Agreement)) and the proceeds of such sale, disposition or liquidation are applied in accordance with the provisions of the Credit Agreement, to the extent applicable, such Guarantor shall upon consummation of such sale or other disposition (except to the extent that such sale or disposition is to another Credit Party) be released from this Guaranty automatically and without further action and this Guaranty shall, as to each such Guarantor, terminate, and have no further force or effect (it being understood and agreed that the sale of one or more Persons that own, directly

or indirectly, all of the capital stock of any Guarantor shall be deemed to be a sale of such Guarantor for the purposes of this Section 21).

22. At any time a payment in respect of the Guaranteed Obligations is made under this Guaranty, the right of contribution of each Guarantor against each other Guarantor shall be determined as provided in the immediately following sentence, with the right of contribution of each Guarantor to be revised and restated as of each date on which a payment (a "**Relevant Payment**") is made on the Guaranteed Obligations under this Guaranty. At any time that a Relevant Payment is made by a Guarantor that results in the aggregate payments made by such Guarantor in respect of the Guaranteed Obligations to and including the date of the Relevant Payment exceeding such Guarantor's Contribution Percentage (as defined below) of the aggregate payments made by all Guarantors in respect of the Guaranteed Obligations to and including the date of the Relevant Payment (such excess, the "**Aggregate Excess Amount**"), each such Guarantor shall have a right of contribution against each other Guarantor who has made payments in respect of the Guaranteed Obligations to and including the date of the Relevant Payment in an aggregate amount less than such other Guarantor's Contribution Percentage of the aggregate payments made to and including the date of the Relevant Payment by all Guarantors in respect of the Guaranteed Obligations (the aggregate amount of such deficit, the "**Aggregate Deficit Amount**") in an amount equal to (x) a fraction the numerator of which is the Aggregate Excess Amount of such Guarantor and the denominator of which is the Aggregate Excess Amount of all Guarantors multiplied by (y) the Aggregate Deficit Amount of such other Guarantor. A Guarantor's right of contribution pursuant to the preceding sentences shall arise at the time of each computation, subject to adjustment to the time of each computation; *provided* that no Guarantor may take any action to enforce such right until the Guaranteed Obligations have been irrevocably paid in full in cash, it being expressly recognized and agreed by all parties hereto that any Guarantor's right of contribution arising pursuant to this Section 22 against any other Guarantor shall be expressly junior and subordinate to such other Guarantor's obligations and liabilities in respect of the Guaranteed Obligations and any other obligations owing under this Guaranty. As used in this Section 22: (i) each Guarantor's "**Contribution Percentage**" shall mean the percentage obtained by dividing (x) the Adjusted Net Worth (as defined below) of such Guarantor by (y) the aggregate Adjusted Net Worth of all Guarantors; (ii) the "**Adjusted Net Worth**" of each Guarantor shall mean the greater of (x) the Net Worth (as defined below) of such Guarantor and (y) zero; and (iii) the "Net Worth" of each Guarantor shall mean the amount by which the fair saleable value of such Guarantor's assets on the date of any Relevant Payment exceeds its existing debts and other liabilities (including contingent liabilities, but without giving effect to any Guaranteed Obligations arising under this Guaranty) on such date. Notwithstanding anything to the contrary contained above, any Guarantor that is released from this Guaranty shall thereafter have no contribution obligations, or rights, pursuant to this Section 22, and at the time of any such release, if the released Guarantor had an Aggregate Excess Amount or an Aggregate Deficit Amount, same shall be deemed reduced to $0, and the contribution rights and obligations of the remaining Guarantors shall be recalculated on the respective date of release (as otherwise provided above) based on the payments made hereunder by the remaining Guarantors. All parties hereto recognize and agree that, except for any right of contribution arising pursuant to this Section 22, each Guarantor who makes any payment in respect of the Guaranteed Obligations shall have no right of contribution or subrogation against any other Guarantor in respect of such payment until all of the Guaranteed Obligations have been irrevocably paid in full in cash. Each

of the Guarantors recognizes and acknowledges that the rights to contribution arising hereunder shall constitute an asset in favor of the party entitled to such contribution. In this connection, each Guarantor has the right to waive its contribution right against any Guarantor to the extent that after giving effect to such waiver such Guarantor would remain solvent, in the reasonable determination of the Required Lenders.

23. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby confirms that it is its intention that this Guaranty not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act of any similar federal, foreign, state or provincial law. To effectuate the foregoing intention, each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby irrevocably agrees that the Guaranteed Obligations guaranteed by such Guarantor shall be limited to such amount as will, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of such Guarantor that are relevant under such laws and after giving effect to any rights to contribution pursuant to any agreement providing for an equitable contribution among such Guarantor and the other Guarantors, result in the Guaranteed Obligations of such Guarantor in respect of such maximum amount not constituting a fraudulent transfer or conveyance.

24. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Guarantors and the Administrative Agent.

25. All payments made by any Guarantor hereunder will be made without setoff, counterclaim or other defense (other than payment in cash of such Guaranteed Obligations made in accordance with the terms of this Guaranty) and on the same basis as payments are made by the Borrowers under Sections 2.10 and 4.01 of the Credit Agreement.

26. It is understood and agreed that any Restricted Subsidiary of the Borrower that is required to become a party to this Guaranty after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Guarantor hereunder by (x) executing and delivering a counterpart hereof, or a joinder agreement in the form of Exhibit A hereto, and delivering same to the Administrative Agent and (y) taking all actions as specified in this Guaranty as would have been taken by such Guarantor had it been an original party to this Guaranty, in each case with all documents required by the Credit Documents to be delivered to the Administrative Agent and with all documents and actions required by the Credit Documents to be taken to the reasonable satisfaction of the Administrative Agent.

27. If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Secured Creditors under any Credit Document or for the payment of damages in respect of any breach of any Credit Document, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable under the relevant Credit Document (the " **Agreed Currency**"), each Guarantor shall indemnify and hold the Secured Creditors harmless against any deficiency in terms of the Agreed Currency in the amounts received by that Secured Creditor arising or resulting from any variation as between (a) the actual

rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which that Secured Creditor is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by that Secured Creditor on the date of receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Credit Parties under the Credit Documents and shall apply irrespective of any indulgence granted by the Secured Creditors.

* * *

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

BPS GREENLAND CORP.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.,

as Guarantors

By: _____

Name:
Title:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT A

Form of
JOINDER AGREEMENT

Reference is made to the Term Loan Credit Agreement, dated as of April 15, 2014 among BAUER PERFORMANCE SPORTS LTD. (the "**Borrower**"), the lenders party thereto from time to time (the " **Lenders**") and Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**") have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "**Credit Agreement**").

W I T N E S S E T H:

WHEREAS, the Guarantors have entered into the Term Loan Guaranty in order to induce the Lenders to make the Term Loans to the Borrowers;

WHEREAS, pursuant to Section 8.11 of the Credit Agreement and Section 26 of the Term Loan Guaranty, each person that is or becomes a Restricted Subsidiary of the Borrower after the Closing Date is required to become a Guarantor under the Credit Agreement. The undersigned Subsidiary (the "**New Guarantor**") is executing this joinder agreement (" **Joinder Agreement**") to the Term Loan Guaranty as required by the Credit Agreement.

NOW, THEREFORE, the Administrative Agent and the New Guarantor hereby agree as follows:

1. *Guarantee*. In accordance with Section 26 of the Term Lon Guaranty, the New Guarantor by its signature below becomes a Guarantor (as defined in the Term Loan Guaranty) under the Term Loan Guaranty with the same force and effect as if originally named therein as a Guarantor (as defined in the Term Loan Guaranty).

2 . *Representations and Warranties* . The New Guarantor hereby (a) agrees to all the terms and provisions of the Term Loan Guaranty applicable to it as a Guarantor, respectively, thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) on and as of the date hereof. Each reference to a Guarantor in the Credit Agreement and to a Guarantor in the Term Lon Guaranty shall be deemed to include the New Guarantor.

3. *Severability*. Any provision of this Joinder Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4. *Counterparts*. This Joinder Agreement may be executed in counterparts, each of which shall constitute an original. Delivery of an executed signature page to this Joinder Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Joinder Agreement.

5. *No Waiver*. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

6. *Notices*. All notices, requests and demands to or upon the New Guarantor, any Agent or any Lender shall be governed by the terms of Section 18 of the Term Loan Guaranty.

7. *Governing Law*. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS THAT WOULD CAUSE THE LAW OF ANY OTHER JURISDICTION TO APPLY.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

[ ],

as a Guarantor

By: _____
Title:

Address for Notices:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT I

FORM OF SOLVENCY CERTIFICATE

[_____], 201[ ]

This SOLVENCY CERTIFICATE (this "**Certificate**") is delivered in connection with that certain Term Loan Credit Agreement dated as of April 15, 2014 (as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time, the "**Credit Agreement**") among Bauer Performance Sports Ltd. (the "Parent"), BANK OF AMERICA, N.A., as administrative agent and collateral agent, the financial institutions from time to time party thereto as lenders and the other parties thereto. Capitalized terms used herein without definition have the same meanings as in the Credit Agreement.

In my capacity as chief financial officer of the Borrower, and not in my individual or personal capacity, I believe that:

1. Company (as used herein "**Company**" means the Borrower and its subsidiaries, taken as a whole) is not now, nor will the incurrence of the obligations under the Credit Agreement and the consummation of the Acquisition on the Closing Date, on a pro forma basis, render Company "insolvent" as defined in this paragraph; in this context, "insolvent" means that (i) the fair value of assets is less than the amount that will be required to pay the total liability on existing debts as they become absolute and matured and (ii) the present fair salable value of assets is less than the amount that will be required to pay the probable liability on existing debts as they become absolute and matured, (iii) it is unable to meet its obligations as they generally become due, or (iv) it ceases to pay its current obligations in the ordinary course of business as they generally become due, or (v) its aggregate property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be, sufficient to enable payment of all obligations, due and accruing due. The term "debts" as used in this Certificate includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent (to the extent any such contingent liabilities are reasonably anticipated to become due and matured), and "values of assets" shall mean the amount of which the assets (both tangible and intangible) in their entirety would change hands between a willing buyer and a willing seller, with a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under compulsion to act.

2. As of the date hereof, after giving effect to the incurrence of the obligations under the Credit Agreement and the consummation of the Acquisition, Company is able to pay its debts as they become absolute and mature.

3. The incurrence of the obligations under the Credit Agreement and the consummation of the Acquisition on the Closing Date, on a pro forma basis, will not leave Company with property remaining in its hands constituting "unreasonably small capital." I understand that "unreasonably small capital" depends upon the nature of the particular business or businesses conducted or to be conducted, and I have reached my conclusion based on my current assumptions regarding the needs and anticipated needs for capital of the businesses conducted or anticipated to be conducted by

Company in light of projected financial statements and available credit capacity, which current assumption I do not believe to be unreasonable in light of the circumstances applicable thereto.

I represent the foregoing information is provided to the best of my knowledge and belief and execute this Certificate as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

By:
Name:
Title:

EXHIBIT J

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered to you pursuant to Section 8.01(d) of the Term Loan Credit Agreement dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Term Loan Credit Agreement**"), among Bauer Performance Sports Ltd. (the "**Borrower**"), various Lenders and Bank of America, N.A., as Administrative Agent and Collateral Agent. Terms defined in the Term Loan Credit Agreement and not otherwise defined herein are used herein as therein defined.

1. I am a duly elected, qualified and acting Responsible Officer of the Borrower.

2. I have reviewed and am familiar with the contents of this Compliance Certificate. I am providing this Compliance Certificate solely in my capacity as [_____] of the Borrower. The matters set forth herein are true to the best of my knowledge after due inquiry.

3. I have reviewed the terms of the Term Loan Credit Agreement and the other Credit Documents and have made or caused to be made under my supervision a review in reasonable detail of the transactions and condition of the Borrower and its Restricted Subsidiaries during the accounting period covered by the financial statements attached hereto as ANNEX 1 (the "**Financial Statements**"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or an Event of Default[, except as set forth below and specifying the nature and extent thereof].

4. Attached hereto as ANNEX 2 is the information required by Section 8.01(d) of the Term Loan Credit Agreement as of the date of this Compliance Certificate.

* * *

IN WITNESS WHEREOF, I have executed this Compliance Certificate this _____ day of _____, 2012.

BAUER PERFORMANCE SPORTS
LTD.

By: _____
Name:
Title: Chief Financial Officer

EXHIBIT J
ANNEX 1

Financial Statements to be Attached

EXHIBIT J
ANNEX 2

1. It is hereby certified that there have been no changes to Annexes A through D and Annex F through H, in each case of the Security Agreement, and Annexes A through E of the Pledge Agreement, in each case since the Closing Date or, if later, since the date of the most recent Compliance Certificate delivered pursuant to Section 8.01(d) of the Term Loan Credit Agreement[, except as specially set forth below]:

[_____
_____
_____]

[All actions required to be taken by the Term Loan Credit Agreement and the Security Documents as a result of the changes described above have been taken].

2. [The amount of the Excess Cash Flow for the Excess Cash Flow Payment Period ended on the Computation Date was [$__] and the amount of the payment required pursuant to Section 5.02 of the Term Loan Credit Agreement for such Excess Cash Flow is [$___].]

EXHIBIT K

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of the [Assignors] [Assignees] hereunder are several and not joint.] Capitalized terms used but not defined herein shall have the meanings given to them in the Term Loan Credit Agreement identified below (as amended, the "Term Loan Credit Agreement "), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the " Standard Terms and Conditions") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to the [Assignee][respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from the [Assignor][respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Term Loan Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the [Assignor's][respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Term Loan Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the [Assignor][respective Assignors] under the respective Tranches identified below (including without limitation any guarantees), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the [Assignor (in its capacity as a Lender)][respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Term Loan Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

_____

Assignor is[not] a Defaulting Lender]

2. Assignee[s]: _____

_____

[for each Assignee, indicate if an Affiliate of [*identify Lender*]]

3. Borrower: Bauer Performance Sports Ltd.

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Term Loan Credit Agreement

5. Credit Agreement: Term Loan Credit Agreement dated as of April 15, 2014 among Bauer Performance Sports Ltd., various Lenders and Bank of America, N.A., as Administrative Agent and the other agents party thereto

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Tranche Assigned	Aggregate Amount of Commitment/Term Loans for all Lenders	Amount of Commitment/ Term Loans Assigned	Percentage Assigned of Commitment/ Term Loans[8]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

[7. Trade Date: _____]

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

Consented to and Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent

By: _____
Title:

[Consented to:

BAUER PERFORMANCE SPORTS LTD.

By: _____
Title:]

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Term Loan Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Term Loan Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 12.04(b) of the Term Loan Credit Agreement (subject to such consents, if any, as may be required under Section 12.04(b) of the Term Loan Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Term Loan Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Term Loan Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 8.01(b) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Term Loan Credit Agreement, duly completed and executed by [the][such] Assignee and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the

time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the] [each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT L

FORM OF INCREMENTAL TERM LOAN COMMITMENT AGREEMENT

[Names(s) of Lenders(s)]

[Date]

BWAY Holding Company
c/o BWAY Corporation
8607 Roberts Drive, Suite 250
Atlanta, GA 30350-2237

Re: Incremental Term Loan Commitments

Ladies and Gentlemen:

Reference is hereby made to the Term Loan Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Term Loan Credit Agreement", the terms defined therein being used herein as therein defined) among Bauer Performance Sports Ltd. (the "Borrower"), various Lenders, Bank of America N.A., as Administrative Agent.

Each Lender (each an "Incremental Term Loan Lender") party to this letter agreement (this "Agreement") hereby severally agrees to provide the Incremental Term Loan Commitment set forth opposite its name on Annex I attached hereto (for each such Incremental Term Loan Lender, its "Incremental Term Loan Commitment"). Each Incremental Term Loan Commitment provided pursuant to this Agreement shall be subject to the terms and conditions set forth in the Term Loan Credit Agreement, including Section 2.16 thereof.

Each Incremental Term Loan Lender agreeing to provide an Incremental Term Loan Commitment pursuant to this Agreement, the Borrower and the Administrative Agent acknowledge and agree that the Incremental Term Loan Commitments provided pursuant to this Agreement shall constitute Incremental Term Loan Commitments of the respective Tranche specified in Annex I attached hereto and, upon the incurrence of Incremental Term Loans pursuant to this Agreement, shall constitute Incremental Term Loans under such specified Tranche for all purposes of the Term Loan Credit Agreement and the other Credit Documents.

Each Incremental Term Loan Lender and the Borrower further agree that, with respect to the Incremental Term Loan Commitments provided by each Incremental Term Loan Lender pursuant to this Agreement, each Incremental Term Loan Lender shall receive such upfront fees, if any, as are specified in Annex I attached hereto, which upfront fees shall be due and payable to each Incremental Term Loan Lender upon the Agreement Effective Date (as defined below) or as otherwise specified in said Annex I.

Each Incremental Term Loan Lender party to this Agreement (i) confirms that it has received a copy of the Term Loan Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and, to the extent applicable, to become a Lender under the Term Loan Credit Agreement, (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Term Loan Credit Agreement, (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Term Loan Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Term Loan Credit Agreement are required to be performed by it as a Lender, and (v) in the case of each lending institution organized under the laws of a jurisdiction outside the United States, attaches the applicable forms described in Section 4.04(c) of the Term Loan Credit Agreement certifying as to its entitlement to a complete exemption from United States withholding taxes with respect to all payments to be made under the Term Loan Credit Agreement and the other Credit Documents. Upon the date of (i) the execution of a counterpart of this Agreement by such Incremental Term Loan Lenders, the Administrative Agent and the Borrower, (ii) the delivery to the Administrative Agent of a fully executed copy (including by way of counterparts and by facsimile) hereof, (iii) the payment of any fees required in connection herewith and (iv) the satisfaction of any conditions precedent set forth in Section 10 of Annex I hereto (such date, the "Agreement Effective Date"), each Incremental Term Loan Lender party hereto agreeing to provide an Incremental Term Loan Commitment pursuant to this Agreement (i) shall be obligated to make the Incremental Term Loans provided to be made by it as provided in this Agreement on the terms, and subject to the conditions, set forth in the Term Loan Credit Agreement and (ii) to the extent provided in this Agreement, shall have the rights and obligations of a Lender thereunder and under the other Credit Documents. The maximum number of drawings with respect to the Incremental Term Loan Commitments provided pursuant to this Agreement shall be as specified in Annex I attached hereto. Furthermore, any undrawn Incremental Term Loan Commitments provided pursuant to this Agreement shall expire on the date specified in Annex I attached hereto.

The Borrower acknowledges and agrees that (i) it shall be liable for all Obligations with respect to the Incremental Term Loan Commitments provided hereby including, without limitation, any Term Loans made pursuant thereto and (ii) all such Obligations (including any such Term Loans) shall be entitled to the benefits of the Security Documents. You may accept this Agreement by executing the enclosed copies in the space provided below, and returning a copy of same to us before the close of business on _____ __, _____. If you do not so accept this Agreement by such time, our Incremental Term Loan Commitments set forth in this Agreement shall be deemed cancelled.

After the execution and delivery to the Administrative Agent of a fully executed copy of this Agreement (including by way of counterparts and by facsimile) by the parties hereto, this Agreement shall constitute a Credit Document and may only be changed, modified or varied by written instrument in accordance with the requirements for the modification of Credit Documents

pursuant to Section 12.11 of the Term Loan Credit Agreement.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

Very truly yours,

[NAMES OF LENDERS]

By: ____
Name:
Title:

[OTHER INCREMENTAL TERM LOAN LENDERS]

Agreed and Accepted this ___
day of _____, ____:

BAUER PERFORMANCE SPORTS LTD.

By: __
Name:
Title:

BANK OF AMERICA N.A.,
as Administrative Agent

By: __
Name:
Title:

TERMS AND CONDITIONS FOR
INCREMENTAL TERM LOAN COMMITMENT AGREEMENT

1. Incremental Term Loan Commitment Amounts (as of the Agreement Effective Date):

Name of Lender	Amount of Incremental Term Loan Commitment
Total	_____

2. Designation of Tranche of Incremental Term Loan Commitments (and Incremental Term Loans to be funded thereunder):

3. Initial Incremental Term Loan Maturity Date:

4. Dates for, and amounts of, Incremental Term Loan Scheduled Repayments:

5. Rules for application of voluntary and mandatory prepayments:

6. Minimum Borrowing amount for Incremental Term Loans:

7. Upfront Fee; Other Fees:

8. Interest Rates for Incremental Term Loans:

9. Maximum number of drawings permitted with respect to the Incremental Term Loan Commitments provided pursuant to the Incremental Term Loan Commitment Agreement to which this Annex I is attached:

10. Expiration date of any undrawn Incremental Term Loan Commitments provided pursuant to the Incremental Term Loan Commitment Agreement pursuant to which this Annex 1 is attached:

EXHIBIT M

FORM OF ABL/TERM INTERCREDITOR AGREEMENT

[See Attached.]

ABL/TERM INTERCREDITOR AGREEMENT

This ABL/TERM INTERCREDITOR AGREEMENT (as amended, restated, supplemented, amended or restated or otherwise modified from time to time in accordance with its terms, this "**Agreement**"), dated as of April 15, 2014, by and among BAUER PERFORMANCE SPORTS LTD., a British Columbia corporation (the "**Parent**"), BAUER HOCKEY CORP., a Canadian corporation (the "**Lead Canadian Borrower**"), BAUER HOCKEY, INC., a Vermont corporation, (the "**Lead U.S. Borrower**" and, together with the Lead Canadian Borrower, the "**Lead Borrowers**"), each additional Subsidiary of the Parent party hereto from time to time as an ABL Borrower or Guarantor, Bank of America, N.A. ("**Bank of America**"), as administrative agent for the holders of the ABL Obligations (as defined below) (in such capacity, together with its permitted successors and assigns, the "**ABL Administrative Agent**"), as collateral agent for the holders of the ABL Obligations (in such capacity, together with its permitted successors and assigns (including in connection with any Refinancing), the "**ABL Collateral Agent**"), as administrative agent for the holders of the Initial Fixed Asset Obligations (as defined below) (in such capacity, together with its permitted successors and assigns, the "**Initial Fixed Asset Administrative Agent**") and as collateral agent for the holders of the Initial Fixed Asset Obligations (in such capacity, together with its permitted successors and assigns, the "**Initial Fixed Asset Collateral Agent**").

RECITALS

The Parent, the Lead Borrowers, the other borrowers party thereto (together with the Lead Borrowers, the "**ABL Borrowers**"), the lenders party thereto and Bank of America, as ABL Administrative Agent and ABL Collateral Agent have entered into that certain asset-based revolving credit agreement, dated as of the date hereof, providing a revolving credit facility to the ABL Borrowers (as amended, restated, supplemented, amended and restated, replaced, Refinanced or otherwise modified from time to time in accordance with the terms thereof, the "**ABL Credit Agreement**");

The Parent (as a borrower, the "**Term Loan Borrower**"), the lenders from time to time party thereto, Bank of America, as Initial Fixed Asset Administrative Agent and Initial Fixed Asset Collateral Agent, have entered into that certain term loan credit agreement, dated as of the date hereof, providing a term loan facility (as amended, restated, supplemented, amended and restated, replaced, Refinanced or otherwise modified from time to time in accordance with the terms thereof, the "**Initial Fixed Asset Credit Agreement**" and, together with the ABL Credit Agreement, the "**Credit Agreements**");

The ABL Credit Agreement and the Initial Fixed Asset Credit Agreement permit the ABL Borrowers and the Term Loan Borrower, respectively, to incur additional indebtedness secured by a Lien on the Collateral ranking equal to or junior to the Lien securing the applicable Credit Agreement;

In order to induce the ABL Administrative Agent, the ABL Collateral Agent and the ABL Lenders to enter into the ABL Credit Agreement and the Initial Fixed Asset Administrative Agent,

the Initial Fixed Asset Collateral Agent and the Initial Fixed Asset Lenders to enter into the Initial Fixed Asset Credit Agreement, the ABL Collateral Agent and the Initial Fixed Asset Collateral Agent have agreed to the relative priority of their respective Liens on the Collateral and certain other rights, priorities and interests as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS.

Section 1.01. *Defined Terms*. As used in the Agreement, the following terms shall have the following meanings:

"**ABL Administrative Agent**" has the meaning assigned to that term in the Preamble of this Agreement.

"**ABL Borrowers**" has the meaning assigned to such terms on the Recitals of this Agreement.

"**ABL Claimholders**" means, at any relevant time, the holders of ABL Obligations at that time, including the "Secured Creditors" as defined in the U.S. ABL Security Agreement and the "Secured Creditors" as defined in the Canadian ABL Security Agreement.

"**ABL Collateral**" means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any ABL Obligations.

"**ABL Credit Agreement**" has the meaning assigned to that term in the Recitals to this Agreement, including, for the avoidance of doubt, any Refinancing of the ABL Credit Agreement.

"**ABL Credit Documents**" means the ABL Credit Agreement, the Credit Documents (as defined in the ABL Credit Agreement), any agreement in respect of any Secured Bank Product Obligation (as defined in the ABL Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other ABL Obligation, and any other document or instrument executed or delivered at any time in connection with any ABL Obligations, including any intercreditor or joinder agreement among holders of ABL Obligations to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, amended and restated, replaced, refinanced or otherwise modified from time to time in accordance with the provisions of this Agreement.

"**ABL Collateral Agent**" has the meaning assigned to that term in the Preamble of this Agreement.

"**ABL Collateral Documents**" means the Security Documents (as defined in the ABL Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted

by any Grantor securing any ABL Obligations or under which rights or remedies with respect to such Liens are governed.

"**ABL Credit Party**" means each "Credit Party" as defined in the ABL Credit Agreement.

"**ABL Default**" means an "Event of Default" as defined in the ABL Credit Agreement.

"**ABL Lenders**" means the "Lenders" under and as defined in the ABL Credit Agreement.

"**ABL Mortgages**" means a collective reference to each mortgage, deed of trust and any other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any ABL Obligations or (except for this Agreement) under which rights or remedies with respect to any such Liens are governed.

"**ABL Obligations**" means all "Obligations" (as defined in the ABL Credit Agreement) and other obligations of every nature of each Grantor from time to time owed to any ABL Claimholder or any of its Affiliates under any ABL Credit Document.

"**ABL Priority Collateral**" means the following assets of the Borrowers and the Guarantors: (a) all accounts receivable (except to the extent constituting proceeds of equipment, real property or intellectual property and intercompany loans); (b) all inventory; (c) all instruments, chattel paper and other contracts, in each case, evidencing, or substituted for, any accounts receivable referred to in clause (a) above; (d) all guarantees, letters of credit, security and other credit enhancements in each case for the accounts receivable; (e) all documents of title for any inventory referred to in clause (b) above; (f) all commercial tort claims and general intangibles in each case to the extent relating to any of the accounts receivable referred to in clause (a) above or inventory referred to in clause (b) above, but excluding intercompany debt and Capital Stock; (g) all bank accounts, securities accounts (including all cash and other funds on deposit therein, except to the extent constituting identifiable proceeds of the Fixed Asset Priority Collateral or any such account which holds solely such identifiable proceeds of the Fixed Asset Priority Collateral) or Investment Property but excluding Excluded Deposit Accounts (as defined in the ABL Credit Agreement) and any Capital Stock; (h) all tax refunds; (i) all Supporting Obligations, Documents and books and records relating to any of the foregoing; and (j) all substitutions, replacements, accessions, products or proceeds (including, without limitation, insurance proceeds) of any of the foregoing, in each case, except to the extent constituting Excluded Collateral; *provided*, *however*, that to the extent that identifiable Proceeds of Fixed Asset Priority Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute ABL Priority Collateral after an Enforcement Notice, then (as provided in Section 3.05) such identifiable Proceeds shall be treated as Fixed Asset Priority Collateral for purposes of this Agreement.

"**ABL Standstill Period**" has the meaning assigned to that term in Section 3.02(a)(i).

"**ABL Security Agreements**" shall mean the U.S. ABL Security Agreement and the Canadian ABL Security Agreement.

"**Access Acceptance Notice**" has the meaning assigned to that term in Section 3.03(b).

"**Access Period**" means for each parcel of Mortgaged Premises the period, after the commencement of an Enforcement Period, which begins on the day that the ABL Collateral Agent provides the Controlling Fixed Asset Collateral Agent with the notice of its election to request access to any Mortgaged Premises pursuant to Section 3.03(b) below and ends on the earliest of (a) the 180th day after the ABL Collateral Agent obtains the ability to use, take physical possession of, remove or otherwise control the use or access to the Collateral located on such Mortgaged Premises following a Collateral Enforcement Action plus such number of days, if any, after the ABL Collateral Agent obtains access to such Collateral that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Collateral located on such Mortgaged Premises, (b) the date on which all or substantially all of the ABL Priority Collateral located on such Mortgaged Premises is sold, collected or liquidated, (c) the date on which the Discharge of ABL Obligations has occurred and (d) the date on which the ABL Default or the Fixed Asset Default that was the subject of the applicable Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent, as applicable, or waived in writing in accordance with the requirements of the applicable Credit Agreement.

"**Additional Fixed Asset Claimholders**" means, at any relevant time, the holders of Additional Fixed Asset Obligations at that time.

"**Additional Fixed Asset Collateral Agent**" means, in the case of any Additional Fixed Asset Instrument and the Additional Fixed Asset Claimholders thereunder, the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Fixed Asset Instrument that is named as the Additional Fixed Asset Collateral Agent in respect of such Additional Fixed Asset Instrument hereunder pursuant to a Joinder Agreement.

"**Additional Fixed Asset Collateral Documents**" means any security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, guarantees, notes and any other documents or instruments now existing or entered into after the date hereof that create a Lien on any assets or properties of any Grantor to secure any Additional Fixed Asset Obligations owed thereunder to any Additional Fixed Asset Claimholders or under which rights or remedies with respect to such Liens are governed.

"**Additional Fixed Asset Debt**" means the principal amount of Indebtedness issued or incurred under any Additional Fixed Asset Instrument.

"**Additional Fixed Asset Documents**" means any Additional Fixed Asset Instrument, Additional Fixed Asset Collateral Document and any other Credit Document (or equivalent term as defined in any Additional Fixed Asset Instrument) and each of the other agreements, documents and instruments providing for or evidencing any other Additional Fixed Asset Obligation, including any document or instrument executed or delivered at any time in connection with any Additional Fixed Asset Obligations, including any intercreditor or joinder agreement among the holders of Additional Fixed Asset Obligations, to the extent such are effective at the relevant time.

"**Additional Fixed Asset Instrument**" means any (a) debt facilities, indentures or commercial paper facilities providing for revolving credit loans, term loans, notes, debentures,

receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (b) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (c) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, increased, replaced or refunded in whole or in part from time to time in accordance with each applicable Additional Fixed Asset Instrument; *provided* that neither the ABL Credit Agreement, the Initial Fixed Asset Credit Agreement nor any Refinancing of any of the foregoing in this proviso shall constitute an Additional Fixed Asset Instrument at any time.

"**Additional Fixed Asset Obligations**" means all obligations of every nature of each Grantor from time to time owed to any Additional Fixed Asset Claimholders or any of their respective Affiliates under any Additional Fixed Asset Documents, whether for principal, interest, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing. "Additional Fixed Asset Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Additional Fixed Asset Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**Additional Fixed Asset Secured Parties**" means, at any time any trustees, agents and other representatives of the holders of any Additional Fixed Asset Debt, the beneficiaries of each indemnification obligation undertaken by any Grantor under any Additional Fixed Asset Document and each other holder of, or obligee in respect of, any holder or lender pursuant to any Additional Fixed Asset Document outstanding at such time.

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by agreement or otherwise.

"**Agreement**" has the meaning assigned to that term in the Preamble of this Agreement.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Bankruptcy Law**" means each of the Bankruptcy Code, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), Winding-Up and Restructuring Act (Canada), any similar federal, state or foreign laws, rules or regulations for the relief of debtors or any liquidation, conservatorship, bankruptcy, reorganization, insolvency, moratorium, rearrangement, receivership or assignment for the benefit of creditors or any other marshalling of the assets and liabilities of any Person and any similar laws, rules or regulations relating to or affecting the enforcement of creditors' rights generally.

"**Bank Product**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Borrowers**" shall mean the Term Loan Borrower and the ABL Borrowers (each, a " **Borrower**").

"**Business Day**" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

"**Canadian ABL Security Agreement** " means the Canadian ABL Security Agreement, dated as of the date hereof, among the ABL Borrowers, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, restated, supplemented, amended and restated or otherwise modified from time to time in accordance with its terms.

"**Canadian Initial Fixed Asset Security Agreement** " means the Canadian Security Agreement, dated as of the date hereof, among the Term Loan Borrower, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, supplemented or otherwise modified from time to time.

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Cash Collateralize**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Cash Equivalents**" means:

(a) U.S. Dollars, Canadian Dollars, pounds sterling, euros, the national currency of any participating member state of the European Union or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(b) readily marketable direct obligations of any member of the European Economic Area, Switzerland, or Japan, or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, and, at the time of acquisition thereof, having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(c) marketable general obligations issued by any state of the United States or any province or territory of Canada or any political subdivision thereof or any instrumentality thereof that are guaranteed by the full faith and credit of such state, province or territory and, at the time of acquisition thereof, having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(d) securities or any other evidence of Indebtedness or readily marketable direct obligations issued or directly and fully guaranteed or insured by the United States or Canadian

government or any agency or instrumentality of the United States or Canadian government (*provided* that the full faith and credit of the United States or Canada is pledged in support of those securities), in such case having maturities of not more than twelve months from the date of acquisition;

(e) certificates of deposit and eurodollar time deposits with maturities of twelve months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve months and overnight bank deposits, in each case, with any Initial Fixed Asset Lender or ABL Lender or any commercial bank or trust company having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's and a combined capital and surplus greater than $500,000,000;

(f) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (a) and (e) above entered into with any financial institution meeting the qualifications specified in clause (e) above;

(g) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within twelve months after the date of acquisition; and

(h) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (g) of this definition.

"**Claimholders**" means, collectively, the ABL Claimholders and the Fixed Asset Claimholders.

"**Collateral**" means all of the assets and property of any Grantor, whether real (or immovable), personal (or movable) or mixed, upon which a Lien has been granted or purported to be granted pursuant to any Credit Document.

"**Collateral Agents**" means, collectively, (a) the ABL Collateral Agent, (b) the Initial Fixed Asset Collateral Agent and (c) each Additional Fixed Asset Collateral Agent.

"**Collateral Enforcement Action** " means, collectively or individually for one or more of the Collateral Agents, when a ABL Default or Fixed Asset Default, as the case may be, has occurred and is continuing, whether or not in consultation with any other Collateral Agent, any action by any Collateral Agent to repossess or join any Person in repossessing, or exercise or join any Person in exercising, or institute or maintain or participate in any action or proceeding with respect to, any remedies with respect to any Collateral or commence the judicial enforcement of any of the rights and remedies under the Credit Documents or under any applicable law, but in all cases (a) including, without limitation, (i) instituting or maintaining, or joining any Person in instituting or maintaining, any enforcement, contest, protest, attachment, collection, execution, levy, power of sale or foreclosure action or proceeding, or other equivalent action or proceeding with respect to any Collateral, whether under any Credit Document or otherwise, (ii) exercising any right of set-off with respect to any Credit Party or (iii) exercising any remedy under any Deposit Account Control Agreement, Dominion Account, Landlord Lien Waiver and Access Agreement (as defined in the ABL Credit Agreement) or similar agreement or arrangement and (b) excluding the imposition of

a default rate or late fee; *provided*, that notwithstanding anything to the contrary in the foregoing, the exercise of rights or remedies by the ABL Collateral Agent under any Deposit Account Control Agreement or Dominion Account during a Liquidity Period (as defined in the ABL Credit Agreement) resulting from the occurrence or continuation of a Liquidity Event (as defined in the ABL Credit Agreement) shall not constitute a Collateral Enforcement Action under this Agreement.

"**Contingent Obligations**" means at any time, any indemnification or other similar contingent obligations which are not then due and owing at the time of determination.

"**Controlling Additional Fixed Asset Collateral Agent** " means the Additional Fixed Asset Collateral Agent of the Series of Additional Fixed Asset Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Additional Fixed Asset Obligations.

"**Controlling Fixed Asset Collateral Agent** " means (a) until the Discharge of Initial Fixed Asset Obligations has occurred, the Initial Fixed Asset Collateral Agent and (b) from and after the Discharge of Initial Fixed Asset Obligations has occurred, the Controlling Additional Fixed Asset Collateral Agent.

"**Credit Documents**" means, collectively, the ABL Credit Documents and the Fixed Asset Documents.

"**Credit Party**" means each ABL Credit Party and each Fixed Asset Credit Party.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with the Parent and its Restricted Subsidiaries' operations and not for speculative purposes.

"**Deposit Account**" as defined in the UCC.

"**Deposit Account Control Agreement**" has the meaning assigned to that term in the ABL Credit Agreement.

"**DIP Financing**" has the meaning assigned to that term in Section 6.01.

"**Discharge of ABL Obligations**" means, except to the extent otherwise expressly provided in Section 5.05:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest), on all Indebtedness outstanding under the ABL Credit Documents and constituting ABL Obligations (other than Secured Bank Product Obligations (as defined in the ABL Credit Agreement), and letters of credit issued under the ABL Credit Agreement that are Cash Collateralized or backstopped on terms reasonably satisfactory to the ABL Administrative Agent);

(b) payment in full in cash of all other ABL Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than Contingent Obligations and Secured Bank Product Obligations (as defined in the ABL Credit

Agreement), and letters of credit issued under the ABL Credit Agreement that are Cash Collateralized or backstopped on terms reasonably satisfactory to the ABL Administrative Agent);

(c) termination or expiration of all commitments, if any, to extend credit that would constitute ABL Obligations; and

(d) termination of all letters of credit issued under the ABL Credit Agreement and constituting ABL Obligations or providing cash collateral or backstop letters of credit acceptable to the ABL Administrative Agent in an amount equal to 102% of the applicable outstanding reimbursement obligation (in a manner reasonably satisfactory to the ABL Administrative Agent).

"**Discharge of Fixed Asset Obligations**" means, except to the extent otherwise expressly provided in Section 5.05:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest), on all Indebtedness outstanding under Fixed Asset Documents and constituting Fixed Asset Obligations;

(b) payment in full in cash of all other Fixed Asset Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than Contingent Obligations and obligations under any Swap Contract or Bank Product, or any comparable terms under any other Fixed Asset Document); and

(c) termination or expiration of all commitments, if any, to extend credit that would constitute Fixed Asset Obligations.

"**Discharge of Initial Fixed Asset Obligations**" means, except to the extent otherwise expressly provided in Section 5.05:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest), on all Indebtedness outstanding under Initial Fixed Asset Documents and constituting Initial Fixed Asset Obligations;

(b) payment in full in cash of all other Initial Fixed Asset Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than Contingent Obligations); and

(c) termination or expiration of all commitments, if any, to extend credit that would constitute Initial Fixed Asset Obligations.

"**Disposition**" has the meaning assigned to that term in Section 5.01(b).

"**Documents**" as defined in the UCC.

"**Dominion Account**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Enforcement Notice**" means a written notice delivered, at a time when a ABL Default or

Fixed Asset Default has occurred and is continuing, by either (a) in the case of a ABL Default, the ABL Collateral Agent to the Controlling Fixed Asset Collateral Agent or (b) in the case of a Fixed Asset Default, the Controlling Fixed Asset Collateral Agent to the ABL Collateral Agent, in each case, announcing that an Enforcement Period has commenced, specifying the relevant event of default, stating the current balance of the ABL Obligations or the Fixed Asset Obligations, as applicable, and requesting prompt notification of the current balance of the Fixed Asset Obligations or the ABL Obligations, as applicable, owing to the noticed party.

"**Enforcement Period**" means the period of time following the receipt by either the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent of an Enforcement Notice until the earliest of (a) in the case of an Enforcement Period commenced by the Controlling Fixed Asset Collateral Agent, the occurrence of the Discharge of Fixed Asset Obligations, (b) in the case of an Enforcement Period commenced by the ABL Collateral Agent, the occurrence of the Discharge of ABL Obligations, (c) the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent (as applicable) agrees in writing to terminate the Enforcement Period or (d) the date on which the ABL Default or the Fixed Asset Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent, as applicable, or waived in writing in accordance with the requirements of the applicable Credit Documents.

"**Excluded Collateral**" has the meaning assigned to that term in the ABL Security Agreements.

"**Fixed Asset Claimholders**" means, at any relevant time, the holders of Fixed Asset Obligations at that time, including each Fixed Asset Collateral Agent.

"**Fixed Asset Collateral**" means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Fixed Asset Obligations.

"**Fixed Asset Collateral Agents**" means the Initial Fixed Asset Collateral Agent and each Additional Fixed Asset Collateral Agent.

"**Fixed Asset Collateral Documents**" means the Initial Fixed Asset Collateral Documents and any Additional Fixed Asset Collateral Documents.

"**Fixed Asset Default**" means an "Event of Default" or equivalent term (as defined in any of the Fixed Asset Documents).

"**Fixed Asset Documents**" means the Initial Fixed Asset Documents and any Additional Fixed Asset Documents.

"**Fixed Asset Facility Agreement**" means the Initial Fixed Asset Credit Agreement and any Additional Fixed Asset Instrument.

"**Fixed Asset Mortgages**" means a collective reference to each mortgage, deed of trust and other document or instrument under which any Lien on real property owned or leased by any Grantor

is granted to secure any Fixed Asset Obligations or (except for this Agreement) under which rights or remedies with respect to any such Liens are governed.

"**Fixed Asset Obligations**" means the Initial Fixed Asset Obligations and any Additional Fixed Asset Obligations.

"**Fixed Asset Priority Collateral**" means the following assets of the Borrower and the Guarantors: (a) all shares of capital stock (or other ownership or profit interests) held by the Borrower or any Guarantor, (b) all debt owed to the Borrower or any Guarantor, (c) all property and assets, real and personal (other than assets of the type constituting ABL Priority Collateral), of the Borrower and each Guarantor, including, but not limited to, machinery and equipment, and other goods, owned real estate, patents, trademarks, trade names, copyrights, other intellectual property and other contract rights and (d) all proceeds and products of the property and assets described in clauses (a), (b) and (c) above.

"**Fixed Asset Secured Parties**" means the Initial Fixed Asset Secured Parties and any Additional Fixed Asset Secured Parties.

"**Fixed Asset Standstill Period**" has the meaning set forth in Section 3.01(a)(i).

"**Governmental Authority**" shall mean the government of the United States of America, Canada, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, for the avoidance of doubt, any supra-national bodies such as the European Union or the European Central Bank).

"**Grantors**" means the Borrowers, the Parent, each other Guarantor and each other Person that is organized under the laws of the United States of America, any State thereof or the District of Columbia or Canada or any province or territory thereof that has or may from time to time hereafter execute and deliver a Fixed Asset Collateral Document or a ABL Collateral Document as a "grantor" or "pledgor" (or the equivalent thereof).

"**Guarantor**" means, collectively, each "Guarantor" as defined in the Initial Fixed Asset Credit Agreement and the ABL Credit Agreement.

"**Indebtedness**" means and includes all Obligations that constitute "Indebtedness" within the meaning of the Initial Fixed Asset Credit Agreement, the ABL Credit Agreement or any Additional Fixed Asset Instrument, as applicable.

"**Initial Fixed Asset Administrative Agent**" has the meaning assigned to that term in the Preamble of this Agreement.

"**Initial Fixed Asset Claimholders**" means, at any relevant time, the holders of Initial Fixed Asset Obligations at that time, including the "Secured Creditors" as defined in the U.S. Initial Fixed Asset Security Agreement and/or the "Secured Creditors" as defined in the Canadian Initial Fixed

Asset Security Agreement.

"**Initial Fixed Asset Collateral Documents**" means the "**Security Documents**" (as defined in the Initial Fixed Asset Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Initial Fixed Asset Obligations or under which rights or remedies with respect to such Liens are governed.

"**Initial Fixed Asset Credit Agreement**" has the meaning assigned to that term in the Recitals to this Agreement.

"**Initial Fixed Asset Documents**" means the Initial Fixed Asset Credit Agreement, the Initial Fixed Asset Collateral Documents and the other Credit Documents (as defined in the Initial Fixed Asset Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Initial Fixed Asset Obligation, including, to the extent applicable, any other document or instrument executed or delivered at any time in connection with any Initial Fixed Asset Obligations, including any intercreditor or joinder agreement among holders of Initial Fixed Asset Obligations, to the extent such are effective at the relevant time.

"**Initial Fixed Asset Lenders**" means "Lenders" as defined under the Initial Fixed Asset Credit Agreement.

"**Initial Fixed Asset Obligations**" means all obligations of every nature of each Grantor from time to time owed to any Initial Fixed Asset Claimholders or any of their respective Affiliates under the Initial Fixed Asset Documents, whether for principal, interest, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing. "Initial Fixed Asset Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Initial Fixed Asset Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**Initial Fixed Asset Secured Parties**" means, at any time, the Initial Fixed Asset Administrative Agent, the Initial Fixed Asset Collateral Agent, the trustees, agents and other representatives of the holders of the Initial Fixed Asset Obligations (including any holders of Initial Fixed Asset Obligations pursuant to supplements executed in connection with the incurrence of additional Indebtedness under the Initial Fixed Asset Credit Agreement), the beneficiaries of each indemnification obligation undertaken by any Grantor under any Initial Fixed Asset Document and each other holder of, or obligee in respect of, any holder or lender pursuant to any Initial Fixed Asset Document outstanding at such time.

"**Insolvency or Liquidation Proceeding**" means:

(a) any voluntary or involuntary case or proceeding under the Bankruptcy Code or any other Bankruptcy Law with respect to any Grantor;

(b) any other voluntary or involuntary insolvency, reorganization, winding-up or

bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets (other than any merger or consolidation, liquidation, windup or dissolution not involving bankruptcy that is expressly permitted pursuant to of the terms of each ABL Credit Agreement and each Fixed Asset Facility Agreement);

(c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy (other than any merger or consolidation, liquidation, windup or dissolution not involving bankruptcy that is expressly permitted pursuant to the terms of each ABL Credit Agreement and each Fixed Asset Facility Agreement);

(d) any case or proceeding seeking arrangement, adjustment, protection, relief or composition of any debt or other property of any Grantor;

(e) any case or proceeding seeking the entry of an order of relief or the appointment of a custodian, receiver, trustee or other similar proceeding with respect to any Grantor or any property or Indebtedness of any Grantor; or

(f) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"**Intellectual Property**" means, collectively, all rights, priorities and privileges of any Grantor relating to intellectual property, whether arising under United States, Canada, multinational or foreign laws or otherwise, including Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, Trade Secret Licenses and Internet domain names, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Investment Property" means "investment property" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"**Joinder Agreement**" means an agreement substantially in the form of Exhibit A, or in a form otherwise acceptable to each Collateral Agent, after giving effect to Sections 5.03 and 5.06, as applicable

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"**Lien**" shall mean any security interest, charge, mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, encumbrance, hypothec, deemed or statutory trust, security conveyance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, and any lease having substantially the same effect as any of the foregoing).

"**Mortgaged Premises**" means any real property which shall now or hereafter be subject

to a Fixed Asset Mortgage.

"**New Agent**" has the meaning assigned to that term in Section 5.05.

"**New Debt Notice**" has the meaning assigned to that term in Section 5.05.

"**Non-Controlling Fixed Asset Collateral Agent** " means each Fixed Asset Collateral Agent other than the Controlling Fixed Asset Collateral Agent.

"**Notice of Occupancy**" has the meaning assigned to that term in Section 3.03(b).

"**Parent**" has the meaning set forth in the Preamble to this Agreement.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Pledged Collateral**" has the meaning set forth in Section 5.04.

"**Post-Petition Interest**" means interest, fees, expenses and other charges that pursuant to the Fixed Asset Documents or the ABL Credit Documents, continue to accrue after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, expenses and other charges are allowed or allowable under the Bankruptcy Law or in any such Insolvency or Liquidation Proceeding.

"**PPSA**" means the Personal Property Security Act of Ontario; *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any security interest or hypothec in any Collateral is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction or the Civil Code of Quebec, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Priority Collateral**" with respect to (a) the ABL Claimholders, all ABL Priority Collateral and (b) the Fixed Asset Claimholders, all Fixed Asset Priority Collateral.

"**Proceeds**" means all "proceeds" as such term is defined in the UCC and, in any event, shall also include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"**Real Estate Asset**" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"**Recovery**" has the meaning assigned to that term in Section 6.04.

"**Refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other indebtedness, in exchange or replacement for, such Indebtedness in whole or in part. "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Account**" as defined in the UCC.

"**Series**" means, with respect to any Fixed Asset Obligations, each of (a) the Initial Fixed Asset Obligations and (b) the Additional Fixed Asset Obligations incurred pursuant to any Additional Fixed Asset Document, which pursuant to any Joinder Agreement, are to be represented hereunder by a common Additional Fixed Asset Collateral Agent (in its capacity as such for such Additional Fixed Asset Obligations).

"**Supporting Obligations**" as defined in the UCC.

"**Swap Contract**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Trustee**" has the meaning assigned to such term in the Recitals.

"**UCC**" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; *provided*, *however*, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of any Collateral Agent's or any secured party's security interest in any Collateral is governed by the Uniform Commercial Code as in effect from time to time in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"**U.S. ABL Security Agreement**" means the ABL Security Agreement, dated as of the date hereof, among the ABL Borrowers, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, supplemented or otherwise modified from time to time.

"**U.S. Initial Fixed Asset Security Agreement** " means the U.S. Security Agreement, dated as of the date hereof, among the Term Loan Borrower, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, supplemented or otherwise modified from time to time.

Section 1.02. *Terms Generally*. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, modified, renewed or extended in accordance with the terms of this Agreement (including in connection with any Refinancing);

(b) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns;

(c) the words "herein", "hereof' and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(d) all references herein to Sections shall be construed to refer to Sections of this Agreement;

(e) all references to terms defined in the UCC in effect in the State of New York shall have the meaning ascribed to them therein (unless otherwise specifically defined herein); and

(f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible (or corporeal) and intangible (or incorporeal) assets and properties, including cash, securities, accounts and contract rights.

ARTICLE 2
LIEN PRIORITIES.

Section 2.01. *Relative Priorities*. Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Fixed Asset Obligations granted on the Collateral or of any Liens securing the ABL Obligations granted on the Collateral and notwithstanding any provision of any UCC or the PPSA, or any other applicable law or the ABL Loan Documents or the Fixed Asset Documents or any defect or deficiencies in, or failure to perfect, the Liens securing the ABL Obligations or Fixed Asset Obligations or any other circumstance whatsoever, the ABL Collateral Agent, on behalf of itself and/or the ABL Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and/or the applicable Fixed Asset Claimholders, hereby each agrees that:

(a) any Lien of the ABL Collateral Agent on the ABL Priority Collateral, whether now or hereafter held by or on behalf of the ABL Collateral Agent or any ABL Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all Liens on the ABL Priority Collateral securing any Fixed Asset Obligations and, accordingly, each Fixed Asset

Collateral Agent and each Fixed Asset Claimholder, as applicable, cedes priority of rank of their respective Liens in favour of any Lien of the ABL Collateral Agent and, as applicable, any Lien of the ABL Claimholders, in all respects necessary to achieve the foregoing priority; and

(b) any Lien of any Fixed Asset Collateral Agent on the Fixed Asset Priority Collateral, whether now or hereafter held by or on behalf of such Fixed Asset Collateral Agent, any Fixed Asset Claimholder or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all Liens on the Fixed Asset Priority Collateral securing any ABL Obligations and, accordingly, the ABL Collateral Agent and each ABL Claimholder, as applicable, cedes priority of rank of their respective Liens in favour of any Lien of each Fixed Asset Collateral Agent and, as applicable, any Lien of the Fixed Asset Claimholders, in all respects necessary to achieve the foregoing priority.

Section 2.02. *Prohibition on Contesting Liens*. Each Fixed Asset Collateral Agent, for itself and on behalf of each applicable Fixed Asset Claimholder, and the ABL Collateral Agent, for itself and on behalf of each ABL Claimholder, agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the ABL Claimholders or any of the Fixed Asset Claimholders in the Collateral, or the provisions of this Agreement; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of any Collateral Agent or any ABL Claimholder or Fixed Asset Claimholder to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the Obligations as provided in Sections 2.01, 3.01 and 3.02.

Section 2.03. *No New Liens*. Until the Discharge of ABL Obligations and the Discharge of Fixed Asset Obligations have occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against one or more of the Borrowers or any other Grantor, the parties hereto acknowledge and agree that, except as expressly provided in any Additional Fixed Asset Document (but only to the extent such Additional Fixed Asset Document waives the right of the Fixed Asset Obligations to be secured by such assets or property), it is their intention that:

(a) there shall be no Liens on any asset or property of any Grantor to secure any Fixed Asset Obligation unless a Lien on such asset or property also secures the ABL Obligations;

(b) there shall be no Liens on any asset or property of any Grantor to secure any ABL Obligations unless a Lien on such asset or property also secures the Fixed Asset Obligations.

To the extent any additional Liens are granted on any such asset or property as described above, the priority of such additional Liens shall be determined in accordance with Section 2.01. In addition, to the extent that Liens are granted on any such asset or property to secure any Fixed Asset Obligation or ABL Obligation, as applicable, and a corresponding Lien is not granted to secured the ABL Obligations or Fixed Charge Obligations, as applicable, without limiting any other rights and remedies available hereunder, the ABL Collateral Agent, on behalf of the ABL Claimholders and each Fixed Asset Collateral Agent, on behalf of the applicable Fixed Asset Claimholders, agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in

contravention of this Section 2.03 shall be subject to Section 4.02.

Section 2.04. *Similar Liens and Agreements*. The parties hereto agree that it is their intention that, except as expressly provided in any Additional Fixed Asset Document (but only to the extent such Additional Fixed Asset Document waives the right of the Fixed Asset Obligations to be secured by any asset or property), the ABL Collateral and the Fixed Asset Collateral be identical. In furtherance of the foregoing and of Section 8.08, the parties hereto agree, subject to the other provisions of this Agreement:

(a) upon request by the ABL Collateral Agent or any Fixed Asset Collateral Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the ABL Collateral and the Fixed Asset Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the ABL Credit Documents and the Fixed Asset Documents; and

(b) that the ABL Collateral Documents (other than the Deposit Account Control Agreements and Dominion Accounts), taken as a whole, and the Fixed Asset Collateral Documents (other than as expressly provided in any Additional Fixed Asset Document), taken as a whole, shall be in all material respects the same forms of documents other than with respect to differences to reflect the nature of the lending arrangements and the first and second lien nature of the Obligations thereunder with respect to the Fixed Asset Priority Collateral and the ABL Priority Collateral.

ARTICLE 3
ENFORCEMENT.

Section 3.01. *Exercise of Remedies – Restrictions on Fixed Asset Collateral Agents* . (a) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders:

(i) will not exercise or seek to exercise any rights or remedies with respect to any ABL Priority Collateral (including the exercise of any right of set-off or any right under any lockbox agreement or any control agreement with respect to Deposit Accounts or Securities Accounts) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); *provided*, *however*, that the Controlling Fixed Asset Collateral Agent may exercise any or all such rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (A) the date on which any Fixed Asset Collateral Agent declared the existence of a Fixed Asset Default and demanded the repayment of all the principal amount of any Fixed Asset Obligations; and (B) the date on which the ABL Collateral Agent received notice from such Controlling Fixed Asset Collateral Agent of such declaration of a Fixed Asset Default (the "**Fixed Asset Standstill Period**"); *provided*, *further*, *however*, that notwithstanding anything herein to the contrary, in no event shall any Fixed Asset Collateral Agent or any Fixed Asset Claimholder exercise any rights or remedies with respect to the ABL Priority Collateral if, notwithstanding the expiration of the Fixed Asset Standstill Period, the ABL Collateral Agent or ABL Claimholders shall have commenced and be diligently pursuing the exercise of their rights

or remedies with respect to all or any material portion of such Collateral (prompt notice of such exercise to be given to the Controlling Fixed Asset Collateral Agent);

(ii) will not contest, protest or object to, or otherwise interfere with, any foreclosure proceeding or action brought by the ABL Collateral Agent or any ABL Claimholder or any other exercise by the ABL Collateral Agent or any ABL Claimholder of any rights and remedies relating to the ABL Priority Collateral, whether under the ABL Credit Documents or otherwise; and

(iii) subject to their rights under clause (a)(i) above and except as may be permitted in Section 3.01(c), will not object to the forbearance by the ABL Collateral Agent or any of the ABL Claimholders from bringing or pursuing any Collateral Enforcement Action;

provided, *however*, that, in the case of (i), (ii) and (iii) above, the Liens granted to secure the Fixed Asset Obligations of the Fixed Asset Claimholders shall attach to the Proceeds thereof subject to the relative priorities described in Article 2.

(b) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that the ABL Collateral Agent and the ABL Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of ABL Priority Collateral by the respective Grantors after a ABL Default) make determinations regarding the release, disposition, or restrictions with respect to the ABL Priority Collateral (including, without limitation, exercising remedies under Deposit Account Control Agreements and Dominion Accounts) without any consultation with or the consent of any Fixed Asset Collateral Agent or any Fixed Asset Claimholder; *provided*, *however*, that the Lien securing the Fixed Asset Obligations shall remain on the Proceeds (other than those properly applied to the ABL Obligations) of such Collateral released or disposed of subject to the relative priorities described in Article 2. In exercising rights and remedies with respect to the ABL Priority Collateral, each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that the ABL Collateral Agent and the ABL Claimholders may enforce the provisions of the ABL Credit Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the ABL Priority Collateral upon foreclosure or other disposition, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and the PPSA, as applicable, and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction. Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that it will not seek, and hereby waives any right, to have any ABL Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral.

(c) Notwithstanding the foregoing, any Fixed Asset Collateral Agent and any Fixed Asset Claimholder may:

(i) file a claim or statement of interest with respect to the Fixed Asset Obligations; *provided* that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(ii) take any action in order to create, perfect, preserve or protect its Lien on any of the Collateral; *provided* that such action shall not be inconsistent with the terms of this Agreement and shall not be adverse to the priority status of the Liens on the ABL Priority Collateral, or the rights of the ABL Collateral Agent or the ABL Claimholders to exercise remedies in respect thereof;

(iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Fixed Asset Claimholders, including any claims secured by the ABL Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(iv) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(v) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Fixed Asset Obligations and the Fixed Asset Priority Collateral; and

(vi) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Fixed Asset Standstill Period to the extent permitted by Section 3.01(a)(i).

Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that it will not take or receive any ABL Priority Collateral or any Proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of ABL Obligations has occurred, except as expressly provided in Sections 3.01(a), 6.03(c)(i) and this Section 3.01(c), the sole right of the Fixed Asset Collateral Agents and the Fixed Asset Claimholders with respect to the ABL Priority Collateral is to hold a Lien on such Collateral pursuant to the Fixed Asset Collateral Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of ABL Obligations has occurred.

(d) Subject to Sections 3.01(a) and (c) and Section 6.03(c)(i):

(i) each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that it will not, except as not prohibited herein, take any action that would hinder any exercise of remedies under the ABL Credit Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the ABL Priority Collateral, whether by foreclosure or otherwise;

(ii) each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, hereby waives any and all rights it or the applicable Fixed Asset Claimholders may have as a junior lien creditor with respect to the ABL Priority Collateral or otherwise to object to the manner in which the ABL Collateral Agent or the ABL Claimholders seek to enforce or collect the ABL Obligations or the Liens on the ABL Priority Collateral securing the ABL Obligations granted in any of the ABL Credit Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the ABL Collateral Agent or ABL Claimholders is adverse to the interest of the Fixed Asset Claimholders; and

(iii) each Fixed Asset Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any of the Fixed Asset Collateral Documents or any other Fixed Asset Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the ABL Collateral Agent or the ABL Claimholders with respect to the ABL Priority Collateral as set forth in this Agreement and the ABL Credit Documents.

(e) Except as otherwise specifically set forth in Sections 3.01(a) and (d) and 3.05, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Fixed Asset Priority Collateral, in each case, in accordance with the terms of the applicable Fixed Asset Documents and applicable law; *provided*, *however*, that in the event that any Fixed Asset Claimholder becomes a judgment Lien creditor in respect of ABL Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Fixed Asset Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Obligations) as the other Liens securing the Fixed Asset Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by any Fixed Asset Collateral Agent or any Fixed Asset Claimholders of payments of interest, principal and other amounts owed in respect of the applicable Fixed Asset Obligations so long as such receipt is not the direct or indirect result of the exercise by such Fixed Asset Collateral Agent or any Fixed Asset Claimholders of rights or remedies as a secured creditor (including set-off) or enforcement of any Lien held by any of them, in each case in contravention of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the ABL Collateral Agent or the ABL Claimholders may have against the Grantors under the ABL Credit Documents, other than with respect to the Fixed Asset Priority Collateral solely to the extent expressly provided herein.

Section 3.02. *Exercise of Remedies – Restrictions on ABL Collateral Agent* . (a) Until the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the ABL Collateral Agent and the ABL Claimholders:

(i) will not exercise or seek to exercise any rights or remedies with respect to any Fixed Asset Priority Collateral or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); *provided*, *however*, that the ABL Collateral Agent may exercise the rights provided for in Section 3.03 (with respect to any Access Period) and may exercise any or all such other rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (A) the date on which the ABL Collateral Agent declared the existence of any ABL Default and demanded the repayment of all the principal amount of any ABL Obligations; and (B) the date on which the Controlling Fixed Asset Collateral Agent received notice from the ABL Collateral Agent of such declaration of an ABL Default (the " **ABL Standstill Period** "); *provided*, *further*, *however*, that notwithstanding anything herein to the contrary, in no event shall the ABL Collateral Agent or any ABL Claimholder exercise any rights or remedies (other than those under Section 3.03) with respect to the Fixed Asset Priority Collateral if, notwithstanding the expiration of the ABL Standstill Period, the Controlling Fixed Asset Collateral Agent shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral (prompt notice of such exercise to be given to the ABL Collateral Agent);

(ii) will not contest, protest or object to, or otherwise interfere with, any foreclosure proceeding or action brought by any Fixed Asset Collateral Agent or any Fixed Asset Claimholder or any other exercise by a Fixed Asset Collateral Agent or any Fixed Asset Claimholder of any rights and remedies relating to the Fixed Asset Priority Collateral, whether under the Fixed Asset Documents or otherwise; and

(iii) subject to their rights under clause (a)(i) above and except as may be permitted in Section 3.02(c), will not object to the forbearance by any Fixed Asset Collateral Agent or Fixed Asset Claimholders from bringing or pursuing any Collateral Enforcement Action;

provided, *however*, that in the case of (i), (ii) and (iii) above, the Liens granted to secure the ABL Obligations of the ABL Claimholders shall attach to the Proceeds thereof subject to the relative priorities described in Article 2.

(b) Until the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that the Fixed Asset Collateral Agents and the Fixed Asset Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of Fixed Asset Priority Collateral by the respective Grantors after a Fixed Asset Default) make determinations regarding the release, disposition, or restrictions with respect to the Fixed Asset Priority Collateral without any consultation with or the consent of the ABL Collateral Agent or any ABL Claimholder; *provided*, *however*, that the Lien securing the ABL

Obligations shall remain on the Proceeds (other than those properly applied to the Fixed Asset Obligations) of such Collateral released or disposed of subject to the relative priorities described in Article 2. In exercising rights and remedies with respect to the Fixed Asset Priority Collateral, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that the Fixed Asset Collateral Agents and the Fixed Asset Claimholders may enforce the provisions of the Fixed Asset Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Fixed Asset Priority Collateral upon foreclosure or other disposition, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and the PPSA, as applicable, and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction. The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, agrees that it will not seek, and hereby waives any right, to have any Fixed Asset Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral.

(c) Notwithstanding the foregoing, the ABL Collateral Agent and any ABL Claimholder may:

(i) file a claim or statement of interest with respect to the ABL Obligations; *provided* that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(ii) take any action in order to create, perfect, preserve or protect its Lien on any of the Collateral; *provided* that such action shall not be inconsistent with the terms of this Agreement and shall not be adverse to the priority status of the Liens on the Fixed Asset Priority Collateral, or the rights of any Fixed Asset Collateral Agent or any of the Fixed Asset Claimholders to exercise remedies in respect thereof;

(iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the ABL Claimholders, including any claims secured by the Fixed Asset Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(iv) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(v) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the ABL Obligations and the ABL Priority Collateral; and

(vi) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the ABL Standstill Period to the extent permitted by Section 3.02

(a)(i).

The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that it will not take or receive any Fixed Asset Priority Collateral or any Proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Fixed Asset Obligations has occurred, except as expressly provided in Sections 3.02(a), 3.03, 3.04, 6.03(c)(ii) and this Section 3.02(c), the sole right of the ABL Collateral Agent and the ABL Claimholders with respect to the Fixed Asset Priority Collateral is to hold a Lien on such Collateral pursuant to the ABL Collateral Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Fixed Asset Obligations has occurred.

(d) Subject to Sections 3.02(a) and (c) and Sections 3.03 and 6.03(c)(ii):

(i) the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, agrees that the ABL Collateral Agent and the ABL Claimholders will not, except as not prohibited herein, take any action that would hinder any exercise of remedies under the Fixed Asset Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Fixed Asset Priority Collateral, whether by foreclosure or otherwise;

(ii) the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby waives any and all rights it or the ABL Claimholders may have as a junior lien creditor with respect to the Fixed Asset Priority Collateral or otherwise to object to the manner in which the any Fixed Asset Collateral Agent or the Fixed Asset Claimholders seek to enforce or collect the Fixed Asset Obligations or the Liens on the Fixed Asset Priority Collateral securing the Fixed Asset Obligations granted in any of the Fixed Asset Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of any Fixed Asset Collateral Agent or the Fixed Asset Claimholders is adverse to the interest of the ABL Claimholders; and

(iii) the ABL Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any of the ABL Collateral Documents or any other ABL Credit Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Fixed Asset Collateral Agents or the Fixed Asset Claimholders with respect to the Fixed Asset Priority Collateral as set forth in this Agreement and the Fixed Asset Documents.

(e) Except as otherwise specifically set forth in Sections 3.02(a) and (d) and 3.05, the ABL Collateral Agent and the ABL Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the ABL Priority Collateral, in each case, in accordance with the terms of the ABL Credit Documents and applicable law; *provided*, *however*, that in the event that any ABL Claimholder becomes a judgment Lien creditor in respect of Fixed Asset Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the ABL Obligations, such judgment Lien shall be subject to the

terms of this Agreement for all purposes (including in relation to the Fixed Asset Obligations) as the other Liens securing the ABL Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by the ABL Collateral Agent or any ABL Claimholders of payments of interest, principal and other amounts owed in respect of the ABL Obligations so long as such receipt is not the direct or indirect result of the exercise by the ABL Collateral Agent or any ABL Claimholders of rights or remedies as a secured creditor (including set-off) or enforcement of any Lien held by any of them, in each case in contravention of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Fixed Asset Collateral Agents or the Fixed Asset Claimholders may have against the Grantors under the Fixed Asset Documents, other than with respect to the ABL Priority Collateral solely to the extent expressly provided herein.

Section 3.03. *Exercise of Remedies – Collateral Access Rights* . (a) The ABL Collateral Agent and the Fixed Asset Collateral Agents agree not to commence any Collateral Enforcement Action until an Enforcement Notice has been given to the other Collateral Agent. Subject to the provisions of Sections 3.01 and 3.02 above, either Collateral Agent may join in any judicial proceedings commenced by the other Collateral Agent to enforce Liens on the Collateral; *provided* that neither Collateral Agent, nor the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, shall interfere with the Collateral Enforcement Actions of the other with respect to Collateral in which such party has the priority Lien in accordance herewith.

(b) If any Fixed Asset Collateral Agent, or any agent or representative of any Fixed Asset Collateral Agent, or any receiver, shall obtain possession or physical control of any of the Mortgaged Premises, such Fixed Asset Collateral Agent shall promptly notify the ABL Collateral Agent of that fact (such notice, a "**Notice of Occupancy**") and the ABL Collateral Agent shall, within ten (10) Business Days thereafter, notify the Controlling Fixed Asset Collateral Agent as to whether the ABL Collateral Agent desires to exercise access rights under this Agreement (such notice, an "**Access Acceptance Notice**"), at which time the parties shall confer in good faith to coordinate with respect to the ABL Collateral Agent's exercise of such access rights; *provided*, that it is understood and agreed that the Fixed Asset Collateral Agents shall obtain possession or physical control of the Mortgaged Premises in the manner provided in the applicable Fixed Asset Collateral Documents and in the manner provided herein. Access rights may apply to differing parcels of Mortgaged Premises at differing times, in which case, a differing Access Period may apply to each such property. In the event that the ABL Collateral Agent elects to exercise its access rights as provided in this Agreement, each Fixed Asset Collateral Agent agrees, for itself and on behalf of the applicable Fixed Asset Claimholders, that in the event that any Fixed Asset Claimholder exercises its rights to sell or otherwise dispose of any Mortgaged Premises, whether before or after the delivery of a Notice of Occupancy to the ABL Collateral Agent, the Fixed Asset Collateral Agents shall (i) provide access rights to the ABL Collateral Agent for the duration of the Access Period in accordance with this Agreement and (ii) if such a sale or other disposition occurs prior to the ABL Collateral Agent delivering an Access Acceptance Notice during the time period provided therefor, or if applicable, the expiration of the applicable Access Period, shall ensure that the purchaser or other transferee of such Mortgaged Premises provides the ABL Collateral Agent the opportunity to exercise its access rights, and upon delivery of an Access Acceptance Notice to such purchaser or transferee,

continued access rights to the ABL for the duration of the applicable Access Period, in the manner and to the extent required by this Agreement.

(c) Upon delivery of notice to the Controlling Fixed Asset Collateral Agent as provided in Section 3.03(b), the Access Period shall commence for the subject parcel of Mortgaged Premises. During the Access Period, the ABL Collateral Agent and its agents, representatives and designees shall have a non-exclusive right to have access to, and a rent free right to use, the Fixed Asset Priority Collateral for the purpose of arranging for and effecting the sale or disposition of ABL Priority Collateral, including the production, completion, packaging and other preparation of such ABL Priority Collateral for sale or disposition. During any such Access Period, the ABL Collateral Agent and its agents, representatives and designees (and Persons employed on their respective behalves), may continue to operate, service, maintain, process and sell the ABL Priority Collateral, as well as to engage in bulk sales of ABL Priority Collateral. The ABL Collateral Agent shall take proper care of any Fixed Asset Priority Collateral that is used by the ABL Collateral Agent during the Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by the ABL Collateral Agent or its agents, representatives or designees and the ABL Collateral Agent shall comply with all applicable laws in connection with its use or occupancy of the Fixed Asset Priority Collateral. The ABL Collateral Agent and the ABL Claimholders shall (to the extent that there are sufficient available proceeds of ABL Collateral for the purposes of paying such indemnity) indemnify and hold harmless the Fixed Asset Collateral Agents and the Fixed Asset Claimholders for any injury or damage to Persons or property caused by the acts or omissions of Persons under its control. The ABL Collateral Agent and the Fixed Asset Collateral Agents shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Fixed Asset Collateral Agents to show the Fixed Asset Priority Collateral to prospective purchasers and to ready the Fixed Asset Priority Collateral for sale.

(d) If any order or injunction is issued or stay is granted which prohibits the ABL Collateral Agent from exercising any of its rights hereunder, then at the ABL Collateral Agent's option, the Access Period granted to the ABL Collateral Agent under this Section 3.03 shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.03. If any Fixed Asset Collateral Agent shall foreclose or otherwise sell any of the Fixed Asset Priority Collateral, such Fixed Asset Collateral Agent will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring the Fixed Asset Priority Collateral subject to the terms of this Agreement.

(e) The Fixed Asset Collateral Agents (in the case of any Additional Fixed Asset Collateral Agent, to the extent such access rights have been granted to such Collateral Agent) and, to the extent such rights have been granted by the Grantors under any Initial Fixed Asset Documents, the Grantors, agree that the ABL Collateral Agent shall have access, during the Access Period, as described herein and each such Grantor that owns any of the Mortgaged Premises grants a non-exclusive easement in gross over its property to permit the uses by the ABL Collateral Agent contemplated by this Section 3.03. Each Fixed Asset Collateral Agent consents to such easement and to the recordation of a collateral access easement agreement, in form and substance reasonably acceptable to the Controlling Fixed Asset Collateral Agent, in the relevant real estate records with

respect to each parcel of real property that is now or hereafter subject to a Fixed Asset Mortgage. The ABL Collateral Agent agrees that upon either the occurrence of the Discharge of ABL Obligations or the expiration of the final Access Period with respect to any parcel of property covered by a Fixed Asset Mortgage, it shall, upon request, execute and deliver to the Controlling Fixed Asset Collateral Agent, or if a Discharge of Fixed Asset Obligations has occurred, to the respective Grantor, such documentation, in recordable form, as may reasonably be requested to terminate any and all rights with respect to such Access Periods.

Section 3.04. *Exercise of Remedies – Intellectual Property Rights/Access to Information* . Each Fixed Asset Collateral Agent (in the case of any Additional Fixed Asset Collateral Agent, to the extent such rights have been granted to such Collateral Agent) and, to the extent such rights have been granted by the Grantors under any Initial Fixed Asset Documents, each Grantor hereby grants (to the full extent of their respective rights and interests) the ABL Collateral Agent and its agents, representatives and designees (a) a royalty free, rent free non-exclusive license and lease to use all of the Fixed Asset Priority Collateral constituting Intellectual Property, to complete the sale of inventory and (b) a royalty free non-exclusive license (which will be binding on any successor or assignee of the Intellectual Property) to use any and all Intellectual Property, in each case, at any time in connection with its Collateral Enforcement Action; *provided*, *however*, the royalty free, rent free non-exclusive license and lease granted in clause (a) shall immediately expire upon the sale, lease, transfer or other disposition of all such inventory.

Section 3.05. *Exercise of Remedies – Set Off and Tracing of and Priorities in Proceeds* . (a) The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, acknowledges and agrees that, to the extent the ABL Collateral Agent or any ABL Claimholder exercises its rights of set-off against any Grantors' Deposit Accounts or Securities Accounts that contain identifiable Proceeds of Fixed Asset Priority Collateral, a percentage of the amount of such set-off equal to the percentage that such Proceeds bear to the total amount on deposit in or credited to the balance of such Deposit Accounts or Securities Accounts shall be deemed to constitute Fixed Asset Priority Collateral, which amount shall be held and distributed pursuant to Section 4.03; *provided*, *however,* that the foregoing shall not apply to any set-off by the ABL Collateral Agent against any ABL Priority Collateral to the extent applied to the payment of ABL Obligations.

(b) Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, also agrees that prior to an issuance of an Enforcement Notice, all funds deposited in an account subject to a Deposit Account Control Agreement or a Dominion Account that constitute ABL Priority Collateral and then applied to the ABL Obligations shall be treated as ABL Priority Collateral and, unless the ABL Collateral Agent has actual knowledge to the contrary, any claim that payments made to the ABL Collateral Agent through the Deposit Accounts and Securities Accounts that are subject to such Deposit Account Control Agreements or Dominion Accounts, respectively, are Proceeds of or otherwise constitute Fixed Asset Priority Collateral are waived by the Fixed Asset Collateral Agents and the Fixed Asset Claimholders.

(c) The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, and each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, further agree that prior to an issuance of an Enforcement Notice, any Proceeds of

Collateral, whether or not deposited in an account subject to a deposit account control agreement or a securities account control agreement, shall not (as between the Collateral Agents, the ABL Claimholders and the Fixed Asset Claimholders) be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral.

ARTICLE 4
PAYMENTS.

Section 4.01. *Application of Proceeds*. (a) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all ABL Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the ABL Collateral Agent or any ABL Claimholder, shall be applied by the ABL Collateral Agent to the ABL Obligations in such order as specified in the relevant ABL Credit Documents. Upon the occurrence of the Discharge of ABL Obligations, the ABL Collateral Agent shall deliver to the Controlling Fixed Asset Collateral Agent any Collateral and Proceeds of Collateral held by it as a result of the exercise of remedies in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Controlling Fixed Asset Collateral Agent to the Fixed Asset Obligations in such order as specified in Section 4.01(b); it being understood that any security interest in Deposit Accounts in favor of the Fixed Asset Obligations shall no longer exist upon the occurrence of the Discharge of ABL Obligations.

(b) Until the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all Fixed Asset Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by any Fixed Asset Collateral Agent or any Fixed Asset Claimholder, shall be applied by the Controlling Fixed Asset Collateral Agent to the Fixed Asset Obligations in the following order: *first*, to payment of that portion of the Fixed Asset Obligations constituting fees, indemnities, expenses and other amounts payable to each Fixed Asset Collateral Agent in its capacity as such pursuant to the terms of any Fixed Asset Document; *second*, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Fixed Asset Claimholders pursuant to the terms of any Fixed Asset Document; and *third*, to the payment in full of Fixed Asset Obligations of each Series on a ratable basis, and with respect to the Fixed Asset Obligations of a given Series in accordance with the terms of the terms of the applicable Fixed Asset Documents. Upon the occurrence of the Discharge of Fixed Asset Obligations, each Fixed Asset Collateral Agent shall deliver to the ABL Collateral Agent any Collateral and Proceeds of Collateral held by it as a result of the exercise of remedies in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the ABL Collateral Agent to the ABL Obligations in such order as specified in the ABL Collateral Documents.

Section 4.02. *Payments Over in Violation of Agreement*. So long as neither the Discharge of ABL Obligations nor the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, any Collateral or Proceeds thereof (including assets or Proceeds subject to Liens referred to in the final sentence

of Section 2.03) received by any Collateral Agent or any Fixed Asset Claimholders or ABL Claimholders in connection with the exercise of any right or remedy (including set-off and the right to credit bid their debt) relating to the Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the appropriate Collateral Agent for the benefit of the Fixed Asset Claimholders or the ABL Claimholders, as the case may be, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each Collateral Agent is hereby authorized by the other Collateral Agent to make any such endorsements as agent for the other Collateral Agent or any Fixed Asset Claimholders or ABL Claimholders, as the case may be. This authorization is coupled with an interest and is irrevocable until the Discharge of ABL Obligations and Discharge of Fixed Asset Obligations have occurred.

Section 4.03. *Application of Payments*. Subject to the other terms of this Agreement, all payments received by (a) the ABL Collateral Agent or the ABL Claimholders may be applied, reversed and reapplied, in whole or in part, to the ABL Obligations to the extent provided for in the ABL Credit Documents and (b) the Fixed Asset Collateral Agents or the Fixed Asset Claimholders may be applied, reversed and reapplied, in whole or in part, to the Fixed Asset Obligations in the order set forth in Section 4.01(b).

Section 4.04. *Reinstatement.* (a) To the extent any payment with respect to any ABL Obligation (whether by or on behalf of any Grantor, as Proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Fixed Asset Claimholders, receiver or similar Person, whether in connection with any Insolvency or Liquidation Proceeding or otherwise, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Claimholders and the Fixed Asset Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the ABL Credit Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the ABL Claimholders and the Fixed Asset Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the "ABL Obligations".

(b) To the extent any payment with respect to any Fixed Asset Obligation (whether by or on behalf of any Grantor, as Proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any ABL Claimholders, receiver or similar Person, whether in connection with any Insolvency or Liquidation Proceeding or otherwise, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Fixed Asset Claimholders and the ABL Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Fixed Asset Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such

interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the Fixed Asset Claimholders and the ABL Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the "Fixed Asset Obligations".

ARTICLE 5
OTHER AGREEMENTS.

Section 5.01. *Releases*. (a) (i) If in connection with the exercise of the ABL Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.01, the ABL Collateral Agent, for itself or on behalf of any of the ABL Claimholders, releases any of its Liens on any part of the ABL Priority Collateral, then the Liens, if any, of each Fixed Asset Collateral Agent, for itself or for the benefit of the Fixed Asset Claimholders, on the ABL Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. Each Fixed Asset Collateral Agent, for itself or on behalf of any such Fixed Asset Claimholders, promptly shall execute and deliver to the ABL Collateral Agent or such Grantor such termination statements, releases and other documents as the ABL Collateral Agent or such Grantor may request to effectively confirm such release.

(ii) If in connection with the exercise of the Controlling Fixed Asset Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.02, the Controlling Fixed Asset Collateral Agent, for itself or on behalf of any of the Fixed Asset Claimholders, releases any of its Liens on any part of the Fixed Asset Priority Collateral, then (x) the Liens, if any, of the ABL Collateral Agent, for itself or for the benefit of the ABL Claimholders, on the Fixed Asset Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released and (y) the Liens, if any, of each Non-Controlling Fixed Asset Collateral Agent, for itself or for the benefit of the applicable Fixed Asset Claimholders, on the Fixed Asset Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. The ABL Collateral Agent, for itself or on behalf of any such ABL Claimholders, and each Non-Controlling Fixed Asset Collateral Agent, for itself or on behalf of any applicable Fixed Asset Claimholders, promptly shall execute and deliver to the Controlling Fixed Asset Collateral Agent or such Grantor such termination statements, releases and other documents as the Controlling Fixed Asset Collateral Agent or such Grantor may request to effectively confirm such release.

(b) If in connection with any sale, lease, exchange, transfer or other disposition of any Collateral (collectively, a " **Disposition**") permitted under the terms of both the ABL Credit Documents and the Fixed Asset Documents (other than in connection with the exercise of the respective Collateral Agent's rights and remedies in respect of the Collateral as provided for in Sections 3.01 and 3.02), (i) the ABL Collateral Agent, for itself or on behalf of any of the ABL Claimholders, releases any of its Liens on any part of the ABL Priority Collateral, in each case other than (A) except with respect to Deposit Accounts, in connection with the occurrence of the Discharge of ABL Obligations or (B) after the occurrence and during the continuance of a Fixed Asset Default, then the Liens, if any, of each Fixed Asset Collateral Agent, for itself or for the benefit of the applicable Fixed Asset Claimholders, on such Collateral shall be automatically, unconditionally

and simultaneously released, and (ii) the Controlling Fixed Asset Collateral Agent, for itself or on behalf of any of the applicable Fixed Asset Claimholders, releases any of its Liens on any part of the Fixed Asset Priority Collateral, in each case other than (A) in connection with the occurrence of the Discharge of Fixed Asset Obligations or (B) after the occurrence and during the continuance of a ABL Default, then the Liens, if any, of (x) the ABL Collateral Agent, for itself or for the benefit of the ABL Claimholders and (y) each Non-Controlling Fixed Asset Collateral Agent, for itself or for the benefit of the applicable Fixed Asset Claimholders, on such Collateral (or, if such Collateral includes the Capital Stock of any Subsidiary, the Liens on Collateral owned by such Subsidiary) shall be automatically, unconditionally and simultaneously released. The ABL Collateral Agent and each Fixed Asset Collateral Agent, each for itself and on behalf of any such ABL Claimholders or Fixed Asset Claimholders, as the case may be, promptly shall execute and deliver to the other Collateral Agents or such Grantor such termination statements, releases and other documents as the other Collateral Agents or such Grantor may request to effectively confirm such release.

(c) Until the Discharge of ABL Obligations and Discharge of Fixed Asset Obligations have occurred, the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, and each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, as the case may be, hereby irrevocably constitutes and appoints the other Collateral Agents and any officer or agent of the other Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the other Collateral Agent or such holder or in the Collateral Agent's own name, from time to time in such Collateral Agent's discretion, for the purpose of carrying out the terms of this Section 5.01, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 5.01, including any endorsements or other instruments of transfer or release.

(d) Until the Discharge of ABL Obligations and Discharge of Fixed Asset Obligations have occurred, to the extent that the Collateral Agents or the ABL Claimholders or the Fixed Asset Claimholders (i) have released any Lien on Collateral and such Lien is later reinstated or (ii) obtain any new Liens from any Grantor, then each other Collateral Agent, for itself and for the ABL Claimholders or applicable Fixed Asset Claimholders, as the case may be, shall be granted a Lien on any such Collateral, subject to the lien priority provisions of this Agreement.

Section 5.02. *Insurance.* (a) Unless and until the Discharge of ABL Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the ABL Credit Documents, each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders agrees, that (i) in accordance with the terms of the applicable Credit Documents, the ABL Collateral Agent shall have the sole and exclusive right to adjust settlement for any insurance policy covering the ABL Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) in accordance with the terms of the applicable Credit Documents, all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of such Collateral and to the extent required by the ABL Credit Documents shall be paid to the ABL Collateral Agent for the benefit of the ABL Claimholders pursuant to the terms of the ABL Credit Documents (including, without limitation, for purposes of cash collateralization of

letters of credit) and thereafter, to the extent no ABL Obligations are outstanding, and subject to the rights of the Grantors under the Fixed Asset Documents, to the Fixed Asset Collateral Agents for the benefit of the Fixed Asset Claimholders to the extent required under the Fixed Asset Collateral Documents and then, to the extent no Fixed Asset Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if any Fixed Asset Collateral Agent or any Fixed Asset Claimholders shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such Proceeds over to the ABL Collateral Agent in accordance with the terms of Section 4.02.

(b) Unless and until the Discharge of Fixed Asset Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Fixed Asset Documents, the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, and each Fixed Asset Collateral Agent other than the Controlling Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, each agrees that (i) in accordance with the terms of the applicable Credit Documents, the Controlling Fixed Asset Collateral Agent, for itself and on behalf of the Fixed Asset Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Fixed Asset Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) in accordance with the terms of the applicable Credit Documents, all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of such Collateral and to the extent required by the Fixed Asset Documents shall be paid to the Fixed Asset Collateral Agents for the benefit of the Fixed Asset Claimholders pursuant to the terms of the Fixed Asset Documents and thereafter, to the extent no Fixed Asset Obligations are outstanding, and subject to the rights of the Grantors under the ABL Credit Documents, to the ABL Collateral Agent for the benefit of the ABL Claimholders to the extent required under the ABL Collateral Documents and then, to the extent no ABL Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) in accordance with the terms of the applicable Credit Documents, if the ABL Collateral Agent or any ABL Claimholders shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such Proceeds over to the Controlling Fixed Asset Collateral Agent in accordance with the terms of Section 4.02.

(c) To effectuate the foregoing, the Collateral Agents shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Collateral hereunder. To the extent any Proceeds are received for business interruption or for any liability or indemnification and those Proceeds are not compensation for a casualty loss with respect to the Fixed Asset Priority Collateral, such Proceeds shall first be applied to repay the ABL Obligations (to the extent required pursuant to the ABL Credit Agreement) and then be applied, to the extent required by the Fixed Asset Documents, to the Fixed Asset Obligations.

Section 5.03. *Amendments to ABL Credit Documents and Fixed Asset Documents; Refinancing* . (a) The Fixed Asset Documents may be amended, amended and restated, replaced,

supplemented or otherwise modified in accordance with their terms and the Fixed Asset Obligations may be Refinanced, in each case, without notice to, or the consent of the ABL Collateral Agent or the ABL Claimholders, all without affecting the lien subordination or other provisions of this Agreement; *provided*, *however*, that the holders of such Refinancing debt, or their respective agent or representative on the behalf of such holders, bind themselves in a writing addressed to the ABL Collateral Agent and any other existing Collateral Agents to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not contravene any provision of this Agreement.

(b) The ABL Credit Documents may be amended, amended and restated, replaced, supplemented or otherwise modified in accordance with their terms and the ABL Credit Agreement may be Refinanced, in each case, without notice to, or the consent of any Fixed Asset Collateral Agent or the Fixed Asset Claimholders, all without affecting the lien subordination or other provisions of this Agreement; *provided*, *however*, that the holders of such Refinancing debt, or their respective agent or representative on the behalf of such holders, bind themselves in a writing addressed to the Fixed Asset Collateral Agents to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not contravene any provision of this Agreement.

(c) On or after any Refinancing, and the receipt of notice thereof, which notice shall include the identity of a new or replacement Collateral Agent or other agent serving the same or similar function, each existing Collateral Agent shall promptly enter into such documents and agreements (including amendments or supplements to this Intercreditor Agreement) as the Parent or such new or replacement Collateral Agent may reasonably request in order to provide to such new or replacement Collateral Agent the rights, remedies and powers and authorities contemplated hereby, in each case consistent in all respects with the terms of this Intercreditor Agreement.

(d) The ABL Collateral Agent and each Fixed Asset Collateral Agent shall each use good faith efforts to notify the other parties hereto of any written amendment or modification to any ABL Loan Document or any Fixed Asset Document, as applicable, but the failure to do so shall not create a cause of action against the party failing to give such notice or create any claim or right on behalf of any third party.

Section 5.04. *Bailees for Perfection*. (a) Each Collateral Agent agrees to hold that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or PPSA, as applicable, (such Collateral being the "**Pledged Collateral**") as collateral agent for the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, and as bailee for the other Collateral Agents (such bailment being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2) and 9-313(c) of the UCC) and any assignee solely for the purpose of perfecting the security interest granted under the ABL Credit Documents and the Fixed Asset Documents, respectively, subject to the terms and conditions of this Section 5.04.

(b) No Collateral Agent shall have any obligation whatsoever to the other Collateral Agents, to any ABL Claimholder, or to any Fixed Asset Claimholder to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person

except as expressly set forth in this Section 5.04. The duties or responsibilities of the respective Collateral Agents under this Section 5.04 shall be limited solely to holding the Pledged Collateral as bailee in accordance with this Section 5.04 and delivering the Pledged Collateral upon an occurrence of the Discharge of ABL Obligations or Discharge of Fixed Asset Obligations, as the case may be, as provided in paragraph (d) below.

(c) No Collateral Agent acting pursuant to this Section 5.04 shall have by reason of the ABL Credit Documents, the Fixed Asset Documents, this Agreement or any other document a fiduciary relationship in respect of the other Collateral Agent, or any ABL Claimholders or any Fixed Asset Claimholders.

(d) Upon the occurrence of the Discharge of ABL Obligations or the Discharge of Fixed Asset Obligations, as the case may be, the Collateral Agent under the debt facility which has been discharged shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements and without recourse or warranty, *first*, to the other Collateral Agent (for the avoidance of doubt, in the case of the Discharge of ABL Obligations, to the Controlling Fixed Asset Collateral Agent) to the extent the other Obligations (other than Contingent Obligations) remain outstanding, and *second*, to the applicable Grantor to the extent no ABL Obligations or Fixed Asset Obligations, as the case may be, remain outstanding (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral). Each Collateral Agent further agrees, to the extent that any other Obligations (other than applicable Contingent Obligations) remain outstanding, to take all other commercially reasonable action as shall be reasonably requested by the other Collateral Agent, at the sole cost and expense of the Credit Parties, to permit such other Collateral Agent to obtain, to the extent required by the applicable ABL Credit Documents or Fixed Asset Documents, for the benefit of the ABL Claimholders or Fixed Asset Claimholders, as applicable, a first-priority interest in the Collateral or as a court of competent jurisdiction may otherwise direct.

(e) Subject to the terms of this Agreement, (i) until the Discharge of ABL Obligations has occurred, the ABL Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its "control" in accordance with the terms of this Agreement and other ABL Credit Documents, but only to the extent that such Collateral constitutes ABL Priority Collateral, as if the Liens of the Fixed Asset Collateral Agents and Fixed Asset Claimholders did not exist and (ii) until the Discharge of Fixed Asset Obligations has occurred, the Controlling Fixed Asset Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its "control" in accordance with the terms of this Agreement and other Fixed Asset Documents, but only to the extent that such Collateral constitutes Fixed Asset Priority Collateral, as if the Liens of the ABL Collateral Agent and ABL Claimholders did not exist. In furtherance of the foregoing, promptly following the occurrence of the Discharge of ABL Obligations, unless a New Debt Notice in respect of new ABL Credit Documents shall have been delivered as provided in Section 5.05 below, the ABL Collateral Agent hereby agrees to deliver, at the cost and expense of the Credit Parties, to each bank and securities intermediary, if any, that is counterparty to a deposit account control agreement or securities account control agreement, as applicable, written notice as contemplated in such deposit account control agreement or securities account control agreement, as applicable, directing such bank or securities intermediary, as applicable, to comply with the instructions of the Controlling Fixed Asset Collateral Agent, unless the Discharge of Fixed Asset Obligations has occurred (as

certified to the ABL Collateral Agent by the Parent), in which case, such deposit account control agreement or securities account control agreement, as the case may be, shall be terminated.

(f) Notwithstanding anything in this Agreement to the contrary:

(i) each of the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, agrees that any requirement under any ABL Collateral Document that any Grantor deliver any Collateral that constitutes Fixed Asset Priority Collateral to the ABL Collateral Agent, or that requires any Grantor to vest the ABL Collateral Agent with possession or "control" (as defined in the UCC or the PPSA, as applicable) of any Collateral that constitutes Fixed Asset Priority Collateral, in each case, shall be deemed satisfied to the extent that, prior to the occurrence of the Discharge of Fixed Asset Obligations (other than Contingent Obligations), such Collateral is delivered to the Controlling Fixed Asset Collateral Agents, or the Controlling Fixed Asset Collateral Agents shall have been vested with such possession or (unless, pursuant to the UCC or the PPSA, as applicable, control may be given concurrently to the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent) "control", in each case, subject to the provisions of Section 5.04; and

(ii) each of the Fixed Asset Collateral Agents, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that any requirement under any Fixed Asset Collateral Document that any Grantor deliver any Collateral that constitutes Fixed Asset Priority Collateral to such Fixed Asset Collateral Agent, or that requires any Grantor to vest such Fixed Asset Collateral Agent with possession or "control" (as defined in the UCC or the PPSA, as applicable) of any Collateral that constitutes Fixed Asset Priority Collateral, in each case, shall be deemed satisfied to the extent that, prior to the occurrence of the Discharge of Initial Fixed Asset Obligations (other than Contingent Obligations), such Collateral is delivered to the Controlling Fixed Asset Collateral Agent, or the Controlling Fixed Asset Collateral Agent shall have been vested with such possession or (unless, pursuant to the UCC or the PPSA, as applicable), control may be given concurrently to the applicable Fixed Asset Collateral Agent and the Controlling Fixed Asset Collateral Agent) "control", in each case, subject to the provisions of Section 5.04.

Section 5.05. *When Discharge of ABL Obligations and Discharge of Fixed Asset Obligations Deemed to Not Have Occurred* . If in connection with the Discharge of ABL Obligations or the Discharge of Fixed Asset Obligations, any Borrower substantially concurrently enters into any Refinancing of any ABL Obligation or Fixed Asset Obligation, as the case may be, which Refinancing is permitted by both the Fixed Asset Documents and the ABL Credit Documents, in each case, to the extent such documents will remain in effect following such Refinancing, then such Discharge of ABL Obligations or the Discharge of Fixed Asset Obligations, shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken pursuant to this Agreement as a result of the occurrence of such Discharge of ABL Obligations or Discharge of Fixed Asset Obligations, as applicable) and, from and after the date on which the New Debt Notice is delivered to the appropriate Collateral Agents in accordance with the next sentence, the obligations under such Refinancing shall automatically be treated as ABL Obligations or Fixed Asset Obligations for all purposes of this Agreement, including for purposes

of the Lien priorities and rights in respect of Collateral set forth herein, and the ABL Collateral Agent or applicable Fixed Asset Collateral Agent, as the case may be, under such new ABL Credit Documents or new Fixed Asset Documents shall be the ABL Collateral Agent or a Fixed Asset Collateral Agent for all purposes of this Agreement. Upon receipt of a notice (the "**New Debt Notice**") stating that a Borrower has entered into new ABL Credit Documents or new Fixed Asset Documents (which notice shall include a complete copy of the relevant new documents and provide the identity of the new collateral agent, such agent, the "**New Agent**"), the other Collateral Agents shall promptly (a) enter into such documents and agreements (including amendments or supplements to this Agreement) as such Borrower or such New Agent shall reasonably request in order to provide to the New Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (b) deliver to any New Agent that is the Controlling Fixed Asset Collateral Agent at such time any Pledged Collateral (that is Fixed Asset Priority Collateral, in the case of a New Agent that is the agent under any new Fixed Asset Documents or that is ABL Priority Collateral, in the case of a New Agent that is the agent under any new ABL Credit Documents) held by it together with any necessary endorsements (or otherwise allow the New Agent to obtain control of such Pledged Collateral). The New Agent shall agree in a writing addressed to the other Collateral Agents for the benefit of the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, to be bound by the terms of this Agreement. If the new ABL Obligations under the new ABL Credit Documents or the new Fixed Asset Obligations under the new Fixed Asset Documents are secured by assets of the Grantors constituting Collateral that do not also secure the other Obligations, then, unless and to the extent such Collateral is not required to be granted under the applicable Additional Fixed Asset Documents, the other Obligations shall be secured at such time by a second priority Lien on such assets to the same extent provided in the ABL Credit Documents, the Fixed Asset Collateral Documents and this Agreement.

Section 5.06. *Additional Fixed Asset Debt*. The Parent and the other applicable Grantors will be permitted to designate as an additional holder of Fixed Asset Obligations hereunder each Person who is, or who becomes or who is to become, the registered holder of any Additional Fixed Asset Debt incurred by the Parent or such Grantor after the date of this Agreement in accordance with the terms of all applicable Additional Fixed Asset Documents. Upon the issuance or incurrence of any such Additional Fixed Asset Debt:

(a) The Parent shall deliver to the Fixed Asset Collateral Agents and the ABL Collateral Agent of an officers' certificate stating that the Parent or such Grantor intends to enter into an Additional Fixed Asset Instrument and certifying that the issuance or incurrence of Additional Fixed Asset Debt under such Additional Fixed Asset Instrument is permitted by the ABL Credit Documents and each applicable Additional Fixed Asset Documents;

(b) the administrative agent or trustee and collateral agent for such Additional Fixed Asset Debt shall execute and deliver to the Collateral Agents a Joinder Agreement pursuant to which it becomes a Fixed Asset Collateral Agent hereunder, the Additional Fixed Asset Debt in respect of which such Person is a Fixed Asset Collateral Agent constitutes Fixed Asset Obligations and the related Additional Fixed Asset Claimholders become subject hereto and bound hereby as Fixed Asset Claimholders;

(c) the Fixed Asset Collateral Documents in respect of such Additional Fixed Asset Debt shall be subject to, and shall comply with, Sections 2.03 and 2.04 of this Agreement; and

(d) each existing Collateral Agent shall promptly enter into such documents and agreements (including amendments or supplements to this Intercreditor Agreement) as the Parent or the Additional Fixed Asset Collateral Agent for such Additional Fixed Asset Debt may reasonably request in order to provide to them the rights, remedies and powers and authorities contemplated hereby, in each consistent in all respects with the terms of this Intercreditor Agreement.

Notwithstanding the foregoing, nothing in this Agreement will be construed to allow the Parent or any other Grantor to incur additional indebtedness unless otherwise permitted by the terms of each applicable Credit Document.

ARTICLE 6
INSOLVENCY OR LIQUIDATION PROCEEDINGS.

Section 6.01. *Finance Issues*. Until the Discharge of ABL Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the ABL Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting ABL Priority Collateral on which the ABL Collateral Agent or any other creditor has a Lien or to permit any Grantor to obtain financing, whether from the ABL Claimholders or any other Person (whether or not secured by any ABL Priority Collateral) under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law ("**DIP Financing**") then each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meet the following requirements: (i) the Fixed Asset Collateral Agents and the Fixed Asset Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are materially prejudicial to their interests in the Fixed Asset Priority Collateral, and (ii) the terms of the DIP Financing (A) do not compel the applicable Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document, (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order, and (C) do not require that any Lien of the Fixed Asset Collateral Agents on the Fixed Asset Priority Collateral be subordinated to or *pari passu* with the Lien on the Fixed Asset Priority Collateral securing such DIP Financing. To the extent the Liens securing the ABL Obligations are subordinated to or *pari passu* with such DIP Financing which meets the requirements of clauses (i) through (ii) above, each Fixed Asset Collateral Agent will subordinate its Liens in the ABL Priority Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the ABL Collateral Agent or to the extent permitted by Section 6.03).

Section 6.02. *Relief from the Automatic Stay*. (a) Until the Discharge of ABL Obligations has occurred, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from

the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Priority Collateral, without the prior written consent of the ABL Collateral Agent, unless a motion for adequate protection permitted under Section 6.03 has been denied by the bankruptcy court.

(b) Until the Discharge of Fixed Asset Obligations has occurred, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Fixed Asset Priority Collateral (other than to the extent such relief is required to exercise its rights under Section 3.03), without the prior written consent of the Controlling Fixed Asset Collateral Agent, unless a motion for adequate protection permitted under Section 6.03 has been denied by the bankruptcy court.

Section 6.03. *Adequate Protection*. (a) Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(i) any request by the ABL Collateral Agent or the ABL Claimholders for adequate protection with respect to the ABL Priority Collateral; *provided* that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute ABL Priority Collateral and (B) if such additional assets or property shall also constitute Fixed Asset Priority Collateral, (1) a Lien shall have been created in favor of the Fixed Asset Claimholders in respect of such Collateral and (2) the Lien in favor of the ABL Claimholders shall be subordinated to the extent set forth in this Agreement; or

(ii) any objection by the ABL Collateral Agent or the ABL Claimholders to any motion, relief, action or proceeding based on the ABL Collateral Agent or the ABL Claimholders claiming a lack of adequate protection; *provided* that if the ABL Collateral Agent is granted adequate protection in the form of additional collateral, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders may seek or request adequate protection in the form of Lien on such additional collateral; it being understood and agreed that (A) if such additional collateral shall also constitute Fixed Asset Priority Collateral, the Lien on such additional collateral in favor of the ABL Collateral Agent shall be subordinate to the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents and (B) if such additional collateral shall also constitute ABL Priority Collateral, the Lien on such additional collateral in favor of the ABL Collateral Agent shall be senior to the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents, in each case with respect to the foregoing clauses (A) and (B), to the extent required by this Agreement.

(b) The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(i) any request by the Controlling Fixed Asset Collateral Agent for adequate protection with respect to the Fixed Asset Priority Collateral; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property

of any Grantor other than with respect to assets or property that constitute Fixed Asset Collateral and (B) if such additional assets or property shall also constitute ABL Priority Collateral, (1) a Lien shall have been created in favor of the ABL Claimholders in respect of such Collateral and (2) the Lien in favor of the Fixed Asset Claimholders shall be subordinated to the extent set forth in this Agreement; or

(ii) any objection by the Controlling Fixed Asset Collateral Agent to any motion, relief, action or proceeding based on the Controlling Fixed Asset Collateral Agent claiming a lack of adequate protection; provided that if the Fixed Asset Collateral Agents are granted adequate protection in the form of additional collateral, the ABL Collateral Agent and the ABL Claimholders may seek or request adequate protection in the form of Lien on such additional collateral; it being understood and agreed that (A) if such additional collateral shall also constitute ABL Priority Collateral, the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents shall be subordinate to the Lien on such additional collateral in favor of the ABL Collateral Agent and (B) if such additional collateral shall also constitute Fixed Asset Priority Collateral, the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents shall be senior to the Lien on such additional collateral in favor of the ABL Collateral Agent, in each case with respect to the foregoing clauses (A) and (B), to the extent required by this Agreement.

(c) Notwithstanding the foregoing provisions in this Section 6.03, in any Insolvency or Liquidation Proceeding:

(i) if the ABL Claimholders (or any subset thereof) are granted adequate protection with respect to the ABL Priority Collateral in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted ABL Priority Collateral) in connection with any Cash Collateral use or DIP Financing, then the Controlling Fixed Asset Collateral Agent, on behalf of itself or any of the Fixed Asset Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the ABL Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the Fixed Asset Collateral Agents on ABL Priority Collateral;

(ii) if the Fixed Asset Claimholders (or any subset thereof) are granted adequate protection with respect to the Fixed Asset Priority Collateral in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted Fixed Asset Priority Collateral) in connection with any Cash Collateral use or DIP Financing, then the ABL Collateral Agent, on behalf of itself or any of the ABL Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Fixed Asset Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the ABL Collateral Agent on Fixed Asset Priority Collateral;

(iii) in the event the ABL Collateral Agent, on behalf of itself or any of the ABL

Claimholders, seeks or requests adequate protection in respect of ABL Priority Collateral and such adequate protection is granted in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted ABL Priority Collateral), then the ABL Collateral Agent, on behalf of itself and any of the ABL Claimholders, agrees that the Fixed Asset Collateral Agents may also be granted a Lien on the same additional collateral as security for the Fixed Asset Obligations and for any Cash Collateral use or DIP Financing provided by the Fixed Asset Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and any of the applicable Fixed Asset Claimholders, agrees that any Lien on such additional collateral securing the Fixed Asset Obligations shall be subordinated to the Liens on such collateral securing the ABL Obligations, any such use of Cash Collateral or any such DIP Financing provided by the Fixed Asset Claimholders (and all Obligations relating thereto) and to any other Liens granted to the Fixed Asset Claimholders as adequate protection, all on the same basis as the other Liens of the Fixed Asset Collateral Agents on ABL Priority Collateral; and

(iv) in the event any Fixed Asset Collateral Agent, on behalf of itself or any of the Fixed Asset Claimholders, seeks or requests adequate protection in respect of Fixed Asset Priority Collateral and such adequate protection is granted in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted Fixed Asset Priority Collateral), then each Fixed Asset Collateral Agent, on behalf of itself and any of the Fixed Asset Claimholders, agrees that the ABL Collateral Agent may also be granted a Lien on the same additional collateral as security for the ABL Obligations and for any Cash Collateral use or DIP Financing provided by the ABL Claimholders, and the ABL Collateral Agent, on behalf of itself and any of the ABL Claimholders, agrees that any Lien on such additional collateral securing the ABL Obligations shall be subordinated to the Liens on such collateral securing the Fixed Asset Obligations, any such use of cash Collateral or any such DIP Financing provided by the ABL Claimholders (and all Obligations relating thereto) and to any other Liens granted to the ABL Claimholders as adequate protection, all on the same basis as the other Liens of the ABL Collateral Agent on Fixed Asset Priority Collateral.

(d) Except as otherwise expressly set forth in this Article 6 or in connection with the exercise of remedies with respect to (i) the ABL Priority Collateral, nothing herein shall limit the rights of the Fixed Asset Collateral Agents or the Fixed Asset Claimholders from seeking adequate protection with respect to their rights in the Fixed Asset Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise) or (ii) the Fixed Asset Priority Collateral, nothing herein shall limit the rights of the ABL Collateral Agent or the ABL Claimholders from seeking adequate protection with respect to their rights in the ABL Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise).

Section 6.04. *Avoidance Issues*. If any ABL Claimholder or Fixed Asset Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the applicable Grantor any amount paid in respect of ABL Obligations or the Fixed Asset Obligations, as the case may be (a "**Recovery**"), then such ABL Claimholders or Fixed Asset

Claimholders shall be entitled to a reinstatement of ABL Obligations or the Fixed Asset Obligations, as the case may be, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

Section 6.05. *Post-Petition Interest*. (a) No Fixed Asset Collateral Agent nor any Fixed Asset Claimholder shall oppose or seek to challenge any claim by the ABL Collateral Agent or any ABL Claimholder for allowance in any Insolvency or Liquidation Proceeding of ABL Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any ABL Claimholder's claim, without regard to the existence of the Lien of the Fixed Asset Collateral Agent on behalf of the Fixed Asset Claimholders on the Collateral.

(b) Neither the ABL Collateral Agent nor any other ABL Claimholder shall oppose or seek to challenge any claim by any Fixed Asset Collateral Agent or any Fixed Asset Claimholder for allowance in any Insolvency or Liquidation Proceeding of Fixed Asset Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any Fixed Asset Claimholder's claim, without regard to the existence of the Lien of the ABL Collateral Agent on behalf of the ABL Claimholders on the Collateral.

Section 6.06. *Waiver – 1111(b)(2) Issues*. (a) Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, waives any claim it may hereafter have against any ABL Claimholder arising out of the election of any ABL Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code or out of any grant of a security interest in connection with the ABL Priority Collateral in any Insolvency or Liquidation Proceeding.

(b) The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, waives any claim it may hereafter have against any Fixed Asset Claimholder arising out of the election of any Fixed Asset Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code or out of any grant of a security interest in connection with the Fixed Asset Priority Collateral in any Insolvency or Liquidation Proceeding.

Section 6.07. *Separate Grants of Security and Separate Classification*. (a) Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, acknowledges and agrees that the grants of Liens pursuant to the ABL Collateral Documents and the Fixed Asset Collateral Documents constitute separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the Fixed Asset Obligations are fundamentally different from the ABL Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. In furtherance of the foregoing, the Fixed Asset Collateral Agent, each for itself and on behalf of the applicable Fixed Asset Claimholders, and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, each agrees that the Fixed Asset Claimholders and the ABL Claimholders will vote as separate classes in connection with any plan of reorganization in any Insolvency or Liquidation Proceeding and that no Collateral Agent nor any Claimholder will seek to vote with the other as a single class in connection with any plan of reorganization in any Insolvency or Liquidation Proceeding.

(b) To further effectuate the intent of the parties as provided in this Section 6.07, if it is held that the claims of the Fixed Asset Claimholders and the ABL Claimholders in respect of the Fixed Asset Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby acknowledges and agrees that, subject to 2.01 and 4.01, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Fixed Asset Collateral (with the effect being that, to the extent that the aggregate value of the Fixed Asset Collateral is sufficient (for this purpose ignoring all claims held by the ABL Claimholders), the Fixed Asset Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Fixed Asset Documents, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the ABL Claimholders, with the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby acknowledging and agreeing to turn over to the Controlling Fixed Asset Collateral Agent, for itself and on behalf of the Non-Controlling Fixed Asset Collateral Agent and the Fixed Asset Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the ABL Claimholders).

(c) To further effectuate the intent of the parties as provided in this Section 6.07, if it is held that the claims of the Fixed Asset Claimholders and the ABL Claimholders in respect of the ABL Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby acknowledges and agrees that, subject to Sections 2.01 and 4.01, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the ABL Collateral (with the effect being that, to the extent that the aggregate value of the ABL Collateral is sufficient (for this purpose ignoring all claims held by the Fixed Asset Claimholders), the ABL Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the ABL Credit Agreement, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the Fixed Asset Claimholders, with each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, hereby acknowledging and agreeing to turn over to the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Fixed Asset Claimholders).

(d) Notwithstanding anything in the foregoing to the contrary, each Fixed Asset Collateral Agent and the Fixed Asset Claimholders, on the one hand, and the ABL Collateral Agent and the ABL Claimholders, on the other hand, shall retain the right to vote and otherwise act in any Insolvency or Liquidation Proceeding (including the right to vote to accept or reject any plan of

reorganization) to the extent not inconsistent with the provisions hereof.

Section 6.08. *Enforceability and Continuing Priority*. This Agreement shall be applicable both before and after the commencement of any Insolvency or Liquidation Proceeding and all converted or succeeding cases in respect thereof. The relative rights of Claimholders in or to any distributions from or in respect of any Collateral or Proceeds of Collateral shall continue after the commencement of any Insolvency Proceeding. Accordingly, the provisions of this Agreement (including, without limitation, Section 2.01 hereof) are intended to be and shall be enforceable as a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code.

Section 6.09. *Sales*. Subject to Sections 3.01(c)(v) and 3.02(c)(v) and 3.03, each Collateral Agent agrees that it will consent, and will not object or oppose, or support any party in opposing, a motion to dispose of any Priority Collateral of the other party free and clear of any Liens or other claims under Section 363 of the Bankruptcy Code if the requisite ABL Claimholders under the ABL Credit Agreement or Fixed Asset Claimholders under the applicable Fixed Asset Documents, as the case may be, have consented to such disposition of their respective Priority Collateral, such motion does not impair, subject to the priorities set forth in this Agreement, the rights of such party under Section 363(k) of the Bankruptcy Code (so long as the right of any Fixed Asset Claimholder to offset its claim against the purchase price for any ABL Priority Collateral exists only after the ABL Obligations have been paid in full in cash, and so long as the right of any ABL Claimholder to offset its claim against the purchase price for any Fixed Asset Priority Collateral exists only after the Fixed Asset Obligations have been paid in full in cash), and the terms of any proposed order approving such transaction provide for the respective Liens to attach to the proceeds of the Priority Collateral that is the subject of such disposition, subject to the Lien priorities in Section 2.01 and the other terms and conditions of this Agreement. Each Fixed Asset Collateral Agent and the ABL Collateral Agent further agrees that it will not oppose, or support any party in opposing, the right of the other party to credit bid under Section 363(k) of the Bankruptcy Code, subject to the provision of the immediately preceding sentence.

ARTICLE 7
RELIANCE; WAIVERS, ETC.

Section 7.01. *Reliance*. Other than any reliance on the terms of this Agreement, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders under its ABL Credit Documents, acknowledges that it and such ABL Claimholders have, independently and without reliance on any Fixed Asset Collateral Agent or any Fixed Asset Claimholders, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into such ABL Credit Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the ABL Credit Agreement or this Agreement. Other than any reliance on the terms of this Agreement, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, acknowledges that it and the Fixed Asset Claimholders have, independently and without reliance on the ABL Collateral Agent or any ABL Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Fixed Asset Documents and be bound by the terms of this Agreement and they will continue to make their own

credit decision in taking or not taking any action under the Fixed Asset Documents or this Agreement.

Section 7.02. *No Warranties or Liability*. The ABL Collateral Agent, on behalf of itself and the ABL Claimholders under the ABL Credit Documents, acknowledges and agrees that no Fixed Asset Collateral Agent nor any Fixed Asset Claimholder has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Fixed Asset Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Fixed Asset Documents in accordance with law and the Fixed Asset Documents, as they may, in their sole discretion, deem appropriate. Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, acknowledges and agrees that neither the ABL Collateral Agent nor any ABL Claimholder has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the ABL Credit Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the ABL Collateral Agent and the ABL Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective ABL Credit Documents in accordance with law and the ABL Credit Documents, as they may, in their sole discretion, deem appropriate. No Fixed Asset Collateral Agent nor any Fixed Asset Claimholders shall have any duty to the ABL Collateral Agent or any of the ABL Claimholders, and the ABL Collateral Agent and the ABL Claimholders shall have no duty to any Fixed Asset Collateral Agent or any of the Fixed Asset Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the ABL Credit Documents and the Fixed Asset Documents), regardless of any knowledge thereof which they may have or be charged with.

Section 7.03. *No Waiver of Lien Priorities* . (a) No right of the Collateral Agents, the ABL Claimholders or the Fixed Asset Claimholders to enforce any provision of this Agreement or any ABL Credit Document or Fixed Asset Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by such Collateral Agents, ABL Claimholders or Fixed Asset Claimholders or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the ABL Credit Documents or any of the Fixed Asset Documents, regardless of any knowledge thereof which the Collateral Agents or the ABL Claimholders or Fixed Asset Claimholders, or any of them, may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Grantors under the ABL Credit Documents and Fixed Asset Documents and subject to the provisions of Sections 2.03, 2.04 and 5.03), the Collateral Agents, the ABL Claimholders and the Fixed Asset Claimholders may, at any time and from time to time in accordance with the ABL Credit Documents and Fixed Asset Documents and/or applicable law, without the consent of, or notice to, the other Collateral Agent or the ABL Claimholders or the Fixed Asset Claimholders (as the case may be), without incurring any liabilities to such Persons and without

impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy is affected, impaired or extinguished thereby) do any one or more of the following:

(i) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Obligations or any Lien or guaranty thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Collateral Agents or any rights or remedies under any of the ABL Credit Documents or the Fixed Asset Documents;

(ii) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral (except to the extent provided in this Agreement) or any liability of any Grantor or any liability incurred directly or indirectly in respect thereof;

(iii) settle or compromise any Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability in any manner or order that is not inconsistent with the terms of this Agreement; and

(iv) exercise or delay in or refrain from exercising any right or remedy against any security or any Grantor or any other Person, elect any remedy and otherwise deal freely with any Grantor.

(c) Except as otherwise provided herein, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, also agrees that the Fixed Asset Claimholders and the Fixed Asset Collateral Agents shall have no liability to the ABL Collateral Agent or any ABL Claimholders, and the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, hereby waives any claim against any Fixed Asset Claimholder or any Fixed Asset Collateral Agent, arising out of any and all actions which the Fixed Asset Claimholders or any Fixed Asset Collateral Agent may take or permit or omit to take with respect to:

(i) the Fixed Asset Documents;

(ii) the collection of the Fixed Asset Obligations; or

(iii) the foreclosure upon, or sale, liquidation or other disposition of, any Fixed Asset Collateral.

The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that the Fixed Asset Claimholders and the Fixed Asset Collateral Agents have no duty to them in respect of the maintenance or preservation of the Fixed Asset Priority Collateral, the Fixed Asset Obligations or otherwise.

(d) Except as otherwise provided herein, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, also agrees that the ABL Claimholders and the ABL Collateral Agent shall have no liability to the Fixed Asset Collateral Agents or any Fixed Asset Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, hereby waives any claim against any ABL Claimholder or the ABL Collateral Agent, arising out of any and all actions which the ABL Claimholders or the ABL Collateral Agent may take or permit or omit to take with respect to:

(i) the ABL Credit Documents;

(ii) the collection of the ABL Obligations; or

(iii) the foreclosure upon, or sale, liquidation or other disposition of, any ABL Collateral.

Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that the ABL Claimholders and the ABL Collateral Agent have no duty to them in respect of the maintenance or preservation of the ABL Priority Collateral, the ABL Obligations or otherwise.

(e) Until the Discharge of Fixed Asset Obligations has occurred, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Fixed Asset Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

(f) Until the Discharge of ABL Obligations has occurred, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

Section 7.04. *Obligations Unconditional*. All rights, interests, agreements and obligations of the ABL Collateral Agent and the ABL Claimholders and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any ABL Credit Documents or any Fixed Asset Documents;

(b) except as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Obligations or Fixed Asset Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any ABL Credit

Document or any Fixed Asset Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the ABL Obligations or Fixed Asset Obligations or any guaranty thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the any Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the ABL Collateral Agent, the ABL Obligations, any ABL Claimholder, the Fixed Asset Collateral Agent, the Fixed Asset Obligations or any Fixed Asset Claimholder in respect of this Agreement.

ARTICLE 8
MISCELLANEOUS.

Section 8.01. *Conflicts*. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Credit Document or any Fixed Asset Document, the provisions of this Agreement shall govern and control.

Section 8.02. *Effectiveness; Continuing Nature of this Agreement; Severability* . This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the ABL Claimholders and Fixed Asset Claimholders may continue, at any time and without notice to any Collateral Agent, to extend credit and other financial accommodations and lend monies to or for the benefit of any Grantor in reliance hereon. Each of the Collateral Agents, on behalf of itself and the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Consistent with, but not in limitation of, the preceding sentence, each Collateral Agent, on behalf of the applicable Claimholders, irrevocably acknowledges that this Agreement constitutes a "subordination agreement" within the meaning of both New York law and Section 510(a) of the Bankruptcy Code. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver or trustee for any Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the ABL Collateral Agent, the ABL Claimholders and the ABL Obligations has occurred, on the date the Discharge of ABL Obligations has occured, subject to the rights of the ABL Claimholders under Section 6.04; and

(b) with respect to the Fixed Asset Collateral Agents, the Fixed Asset Claimholders and

the Fixed Asset Obligations, on the date the Discharge of Fixed Asset Obligations has occurred, subject to the rights of the Fixed Asset Claimholders under Section 6.04.

Section 8.03. *Amendments; Waivers*. No amendment, modification or waiver of any of the provisions of this Agreement by any Fixed Asset Collateral Agent or the ABL Collateral Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent that such amendment, modification or waiver (i) adversely affects or impairs its rights hereunder, under the Fixed Asset Documents or under the ABL Credit Documents or (ii) imposes any additional obligation or liability upon it.

Section 8.04. *Information Concerning Financial Condition of the Grantors and their Subsidiaries* . The ABL Collateral Agent and the ABL Claimholders, on the one hand, and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Grantors and their Subsidiaries and all endorsers and/or guarantors of the ABL Obligations or the Fixed Asset Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Fixed Asset Obligations. Neither the ABL Collateral Agent and the ABL Claimholders, on the one hand, nor the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, on the other hand, shall have any duty to advise the other of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that either the ABL Collateral Agent or any of the ABL Claimholders, on the one hand, or any Fixed Asset Collateral Agent and the Fixed Asset Claimholders, on the other hand, undertakes at any time or from time to time to provide any such information to any of the others, it or they shall be under no obligation:

(c) to make, and shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(d) to provide any additional information or to provide any such information on any subsequent occasion;

(e) to undertake any investigation; or

(f) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

Section 8.05. *Subrogation*. (a) With respect to the value of any payments or distributions in cash, property or other assets that any of the Fixed Asset Claimholders or any Fixed Asset Collateral Agent pays over to the ABL Collateral Agent or the ABL Claimholders under the terms of this Agreement, the Fixed Asset Claimholders and Fixed Asset Collateral Agents shall be

subrogated to the rights of the ABL Collateral Agent and the ABL Claimholders; *provided*, *however*, that, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of ABL Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by any Fixed Asset Collateral Agent or the Fixed Asset Claimholders that are paid over to the ABL Collateral Agent or the ABL Claimholders pursuant to this Agreement shall not reduce any of the Fixed Asset Obligations.

(b) With respect to the value of any payments or distributions in cash, property or other assets that any of the ABL Claimholders or the ABL Collateral Agent pays over to any Fixed Asset Collateral Agent or the Fixed Asset Claimholders under the terms of this Agreement, the ABL Claimholders and the ABL Collateral Agent shall be subrogated to the rights of the Fixed Asset Collateral Agents and the Fixed Asset Claimholders; *provided*, *however*, that, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Fixed Asset Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the ABL Collateral Agent or the ABL Claimholders that are paid over to the Fixed Asset Collateral Agents or the Fixed Asset Claimholders pursuant to this Agreement shall not reduce any of the ABL Obligations.

Section 8.06. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL* .

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT (EXCEPT THAT, IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT SHALL BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF

THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH BELOW EACH PARTY'S NAME ON EXHIBIT B HERETO, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (A) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

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

Section 8.07. *Notices*. All notices to the Fixed Asset Claimholders and the ABL Claimholders permitted or required under this Agreement shall also be sent to the Fixed Asset Collateral Agents and the ABL Collateral Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States or Canadian mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States or Canadian mail with postage prepaid and properly addressed. For the purposes hereof, the

addresses of the parties hereto shall be as set forth below each party's name on Exhibit B hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

Section 8.08. *Further Assurances*. The ABL Collateral Agent, on behalf of itself and the ABL Claimholders under the ABL Credit Documents, and each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders under the Fixed Asset Documents, and the Grantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Parent, ABL Collateral Agent or any Fixed Asset Collateral Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.

Section 8.09. *Binding on Successors and Assigns*. This Agreement shall be binding upon the ABL Collateral Agent, the ABL Claimholders, the Fixed Asset Collateral Agents, the Fixed Asset Claimholders and their respective successors and assigns.

Section 8.10. *Specific Performance*. Each of the ABL Collateral Agent and each Fixed Asset Collateral Agent may demand specific performance of this Agreement. The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the ABL Collateral Agent or the ABL Claimholders or any Fixed Asset Collateral Agent or the Fixed Asset Claimholders, as the case may be.

Section 8.11. *Headings*. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 8.12. *Counterparts*. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 8.13. *Authorization*. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

Section 8.14. *No Third Party Beneficiaries*. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the Collateral Agents, the ABL Claimholders and the Fixed Asset Claimholders. Nothing in this Agreement shall impair, as between the Grantors and the ABL Collateral Agent and the ABL Claimholders, or as between the Grantors and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, the obligations of the Grantors to pay principal,

interest, fees and other amounts as provided in the ABL Credit Documents and the Fixed Asset Documents, respectively.

Section 8.15. *Provisions to Define Relative Rights* . The provisions of this Agreement are and are intended for the purpose of defining the relative rights of the ABL Collateral Agent and the ABL Claimholders on the one hand and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders on the other hand. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the ABL Obligations and the Fixed Asset Obligations as and when the same shall become due and payable in accordance with their terms.

Section 8.16. *Further Intercreditors*. In the event that any Grantor incurs any obligations secured by a Lien on any Collateral that is junior to the Fixed Asset Obligations and the ABL Obligations, then the ABL Collateral Agent, the Initial Fixed Asset Collateral Agent, the Controlling Fixed Asset Collateral Agent and each Additional Fixed Asset Collateral Agent shall enter into an intercreditor agreement with the agent or trustee for the secured parties with respect to such secured obligation to reflect the relative lien priorities of such parties with respect to the Collateral and governing the relative rights, benefits and privileges as among such parties in respect of the Collateral, including as to application of proceeds of the Collateral, voting rights, control of the Collateral and waivers with respect to the Collateral, in each case so long as (a) such secured obligations are permitted under, and the terms of such intercreditor agreement do not violate or conflict with, the provisions of this Agreement (including regarding the designation and authority of the Controlling Fixed Asset Collateral Agent), the ABL Credit Documents or the Fixed Asset Documents and (b) the form and substance of such intercreditor agreement is otherwise reasonably acceptable to the ABL Collateral Agent, the Initial Fixed Assets Collateral Agents, the Controlling Fixed Assets Collateral Agents, as applicable.

Each party hereto agrees that the ABL Claimholders (as among themselves) and the Fixed Asset Claimholders (as among themselves) may each enter into intercreditor agreements (or similar arrangements) governing the rights, benefits and privileges as among the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, in respect of the Collateral, this Agreement, the ABL Credit Documents or the applicable Fixed Asset Documents, as the case may be, including as to the application of proceeds of the Collateral, voting rights, control of the Collateral and waivers with respect to the Collateral, in each case so long as the terms thereof do not violate or conflict with the provisions of this Agreement, the other ABL Credit Documents and Fixed Asset Documents, as the case may be. If any such intercreditor agreement (or similar arrangement) is entered into, the provisions thereof shall not be (or be construed to be) an amendment, modification or other change to this Agreement, any ABL Credit Document or Fixed Asset Document, and the provisions of this Agreement and the ABL Credit Documents and Fixed Asset Documents shall remain in full force and effect in accordance with the terms hereof and thereof (as such provisions may be amended, modified or otherwise supplemented from time to time in accordance with the terms hereof and thereof, including to give effect to any intercreditor agreement (or similar arrangement)).

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

BANK OF AMERICA, N.A., as Initial
Fixed Asset Administrative Agent and
Initial Fixed Asset Collateral Agent

By: _____
Name:
Title:

[Signature Page to the Intercreditor Agreement]

BANK OF AMERICA, N.A., as ABL Administrative Agent and ABL Collateral Agent

By: _____

Name:

Title:

[Signature Page to the Intercreditor Agreement]

Acknowledged and Agreed to by:

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

BPS GREENLAND CORP.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.

8848076 CANADA CORP.

By: _____

Name:
Title:

Exhibit A

[FORM OF] JOINDER AGREEMENT NO. [ ] dated as of [ ], 20[ ] to the INTERCREDITOR AGREEMENT dated as of April 15, 2014 (the "**Intercreditor Agreement**"), among Bauer Performance Sports Ltd., a Canadian corporation (the " **Parent**"), Bauer Hockey Corp., a Canadian corporation (the "**Lead Canadian Borrower**"), Bauer Hockey, Inc., a Vermont corporation, (the " **Lead U.S. Borrower**" and, together with the Lead Canadian Borrower, the " **Lead Borrowers**"), each additional Subsidiary of the Parent party hereto from time to time as a Borrower or Guarantor, Bank of America, N.A. as ABL Administrative Agent and ABL Collateral Agent under the ABL Credit Agreement and [Bank of America, N.A.], as [Initial Fixed Asset Administrative Agent and as Initial Fixed Asset Collateral Agent under the Initial Fixed Asset Credit Agreement and] Controlling Fixed Asset Collateral Agent and the Additional Fixed Asset Collateral Agents from time to time a party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

B. As a condition to the ability of the Parent to incur Additional Fixed Asset Debt after the date of the Intercreditor Agreement and to secure such Additional Fixed Asset Debt with the Lien and to have such Additional Fixed Asset Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Fixed Asset Collateral Documents, the [collateral agent] in respect of such Additional Fixed Asset Debt is required to become an Additional Fixed Asset Collateral Agent under, and such Additional Fixed Asset Debt and the Fixed Asset Claimholders in respect thereof are required to become subject to and bound by, the Intercreditor Agreement. Section 5.06(b) of the Intercreditor Agreement provides that such collateral agent may become a Fixed Asset Collateral Agent under, and such Additional Fixed Asset Debt and such Fixed Asset Claimholders may become subject to and bound by, the Intercreditor Agreement, pursuant to the execution and delivery by the New Additional Fixed Asset Collateral Agent (as defined below) of an instrument in the form of this Joinder Agreement and the satisfaction of the other conditions set forth in Section 5.06 of the Intercreditor Agreement. The undersigned collateral agent (the "**New Additional Fixed Asset Collateral Agent** ") is executing this Joinder Agreement in accordance with the requirements of the applicable Additional Fixed Asset Documents.

Accordingly, the ABL Collateral Agent, the Controlling Fixed Asset Collateral Agent and the New Additional Fixed Asset Collateral Agent agree as follows:

SECTION 1. In accordance with Section 5.06(b) of the Intercreditor Agreement, the New Additional Fixed Asset Collateral Agent by its signature below becomes a Fixed Asset Collateral Agent under, and the related Additional Fixed Asset Debt and Additional Fixed Asset Claimholders become subject to and bound by, the Intercreditor Agreement with the same force and effect as if the New Additional Fixed Asset Collateral Agent had originally been named therein as a Fixed Asset Collateral Agent, and the New Additional Fixed Asset Collateral Agent, on behalf of itself and such Fixed Asset Claimholders, hereby agrees to all the terms and provisions of the Intercreditor Agreement applicable to it as a Fixed Asset Collateral Agent and to the Fixed Asset Claimholders that it represents as Fixed Asset Claimholders. Each reference to a "**Fixed Asset Collateral Agent** " or "**Additional Fixed Asset Collateral Agent** " in the Intercreditor Agreement shall be deemed to

include the New Additional Fixed Asset Collateral Agent. The Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Additional Fixed Asset Collateral Agent represents and warrants to the ABL Collateral Agent, the Controlling Fixed Asset Collateral Agent and the other Claimholders that (i) it has full power and authority to enter into this Joinder Agreement, in its capacity as [agent] [trustee], (ii) this Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, (iii) the Additional Fixed Asset Documents relating to such Additional Fixed Asset Debt provide that, upon the New Additional Fixed Asset Collateral Agent's entry into this Joinder Agreement, the Fixed Asset Claimholders in respect of such Fixed Asset Debt will be subject to and bound by the provisions of the Intercreditor Agreement as Fixed Asset Claimholders and (iv) the applicable Additional Fixed Asset Claimholders and the Collateral with respect to such Additional Fixed Asset Debt have agreed to be bound by the terms and conditions of the Intercreditor Agreement.

SECTION 3. This Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Joinder Agreement shall become effective when the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent shall have received a counterpart of this Joinder Agreement that bears the signature of the New Additional Fixed Asset Collateral Agent. Delivery of an executed signature page to this Joinder Agreement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Joinder Agreement.

SECTION 4. Except as expressly supplemented hereby, the Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Joinder Agreement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.07 of the Intercreditor Agreement. All communications and notices hereunder to the New Additional Fixed Asset Collateral Agent shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Parent agrees to reimburse the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent for their respective reasonable out-of-pocket expenses in connection

with this Joinder Agreement, including the reasonable fees, other charges and disbursements of counsel for the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent.

IN WITNESS WHEREOF, the New Additional Fixed Asset Collateral Agent, the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent have duly executed this Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW ADDITIONAL FIXED ASSET COLLATERAL AGENT as [●] for the holders of [●]

By: _____
Name:
Title:

Address for notices:

Attention of: __

Telecopy: __

BANK OF AMERICA, N.A., as ABL Collateral Agent

By: _____
Name:
Title:

[●],
as Controlling Fixed Asset Collateral Agent

By: _____
Name:
Title:

Acknowledged and Agreed to by:

BAUER PERFORMANCE SPORTS LTD.
BAUER HOCKEY CORP.
BAUER HOCKEY, INC.
BAUER PERFORMANCE LACROSSE CORP.
BAUER PERFORMANCE LACROSSE INC.
BAUER PERFORMANCE SPORTS UNIFORMS CORP.
BAUER PERFORMANCE SPORTS UNIFORMS INC.
BPS DIAMOND SPORTS CORP.
BPS DIAMOND SPORTS INC.
BPS GREENLAND CORP.
BPS GREENLAND INC.
BPS US HOLDINGS INC.
KBAU HOLDINGS CANADA, INC.
MISSION ITECH HOCKEY, INC.

By: _____
Name:
Title:

Grantors

[●]

Exhibit B

Notice Addresses

ABL Collateral Agent:

Bank of America, N.A.
Gregory Kress
Senior Vice President
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
Phone: (617) 346-1181
Email: gregory.kress@baml.com
Fax Number: (312) 453-4396

Grantors:

100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Phone: 603-610-5805
E-mail: Michael.Wall@bauer.com
Fax Number: 603-430-7332

Initial Fixed Asset Collateral Agent:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ronaldo Naval
Phone: 214-209-1162
Email: ronaldo.naval@baml.com
Fax Number: 877-511-6124

Exhibit 10.2
EXECUTION VERSION

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

ABL CREDIT AGREEMENT

dated as of April 15, 2014,

among

BAUER PERFORMANCE SPORTS LTD.,
as Parent

BAUER HOCKEY CORP.,
and the other Canadian Subsidiaries of Parent from time to time party hereto in their capacities as Subsidiary Borrowers,
as Canadian Borrowers,

BAUER HOCKEY, INC.,
and the other U.S. Subsidiaries of Parent from time to time party hereto in their capacities as Subsidiary Borrowers,
as U.S. Borrowers,

VARIOUS LENDERS,

and

BANK OF AMERICA, N.A.,
as ADMINISTRATIVE AGENT
and
COLLATERAL AGENT

JPMORGAN CHASE BANK, N.A. and ROYAL BANK OF CANADA,
as SYNDICATION AGENTS

BANK OF AMERICA, N.A.,
J.P. MORGAN SECURITIES LLC,
RBC CAPITAL MARKETS
and
MORGAN STANLEY SENIOR FUNDING, INC.,
as JOINT LEAD ARRANGERS

BANK OF AMERICA, N.A.,
J.P. MORGAN SECURITIES LLC
and
RBC CAPITAL MARKETS,
as JOINT BOOKRUNNERS

TABLE OF CONTENTS

THIS CREDIT AGREEMENT, dated as of April 15, 2014, among BAUER PERFORMANCE SPORTS LTD., a Canadian corporation (the "**Parent**"), BAUER HOCKEY CORP., a Canadian corporation (the "**Lead Canadian Borrower**"), BAUER HOCKEY, INC., a Vermont corporation, (the "**Lead U.S. Borrower**" and, together with the Lead Canadian Borrower, the "**Lead Borrowers**"), each of the other Borrowers (as hereinafter defined), each of the Subsidiary Guarantors (as defined herein), the Lenders party hereto from time to time, BANK OF AMERICA, N.A. ("**Bank of America**"), as the Administrative Agent and Collateral Agent, BANK OF AMERICA, N.A., J.P. MORGAN SECURITIES LLC, RBC CAPITAL MARKETS and MORGAN STANLEY SENIOR FUNDING, INC., as Joint Lead Arrangers (in such capacity, the "**Joint Lead Arrangers**"), BANK OF AMERICA, N.A., J.P. MORGAN SECURITIES LLC and RBC CAPITAL MARKETS, as Joint Bookrunners, and JPMORGAN CHASE BANK, N.A. and ROYAL BANK OF CANADA, as Syndication Agents (in such capacities, the "**Syndication Agents**"). All capitalized terms used herein and defined in Article 1 are used herein as therein defined.

W I T N E S S E T H:

WHEREAS, pursuant to the Asset Purchase Agreement dated as of February 13, 2014 (including all schedules and exhibits thereto, the "**Acquisition Agreement**") among Easton Sports, Inc. and Easton Sports Canada, Inc. (together, the "**Sellers**"), BPS Greenland, Inc. and BPS Greenland Corp. (together, the "**Buyers**") and the other parties thereto, the Buyers will purchase from the Sellers certain of their assets, and assume certain liabilities of the Sellers, in each case relating to the Sellers' business of designing, developing, marketing, manufacturing, selling and distributing baseball, softball and lacrosse equipment, products, gear, apparel and related accessories (the "**Acquired Business**", and such transaction, the "**Acquisition**").

WHEREAS, on the Closing Date, the Parent will enter into the Term Loan Credit Agreement and on the Closing Date, the Parent will use the proceeds of borrowings thereunder to fund a portion of the Transaction.

WHEREAS, the Borrowers have requested that (a) the Lenders extend credit in the form of Revolving Loans in an aggregate principal amount at any time outstanding not to exceed $200,000,000, (b) the Issuing Bank issue Letters of Credit and (c) the Swingline Lender extend credit in the form of Swingline Loans up to the maximum amount set forth herein.

WHEREAS, the Lenders are willing to extend such credit to the Borrowers, the Swingline Lender is willing to make Swingline Loans to the Borrowers and the Issuing Bank is willing to issue Letters of Credit for the account of the Borrowers on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

Article 1
DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. *Defined Terms*. As used in this Agreement, the following terms shall have the following meanings:

"**ABL Priority Collateral**" shall have the meaning assigned to such term in the ABL/Term Intercreditor Agreement.

"**ABL/Term Intercreditor Agreement**" shall mean that certain ABL/Term Intercreditor Agreement in the form of Exhibit L, dated as of the Closing Date, by and among the Administrative Agent, the Collateral Agent and the Term Loan Agent (as the same may be amended, amended and restated, modified or supplemented from time to time in accordance with the terms hereof and thereof).

"**Accounts**" shall mean all "**accounts,**" as such term is defined in the UCC as in effect on the date hereof in the State of New York (or, with respect to a Canadian Borrower, the PPSA), in which any Person now or hereafter has rights including, without limitation, the unpaid portion of the obligations of a customer of such Person in respect of Inventory purchased by and shipped to such customer and/or the rendition of services by such Person, as stated on the invoice of such Person, net of any credits, rebates or offsets owed to such customer.

"**Account Debtor**" shall mean any Person who may become obligated to another Person under, with respect to, or on account of, an Account.

"**Acquired Entity or Business**" shall mean either (x) the assets constituting a business, division, product line, manufacturing facility or distribution facility of any Person not already a Subsidiary of the Parent, which assets shall, as a result of the respective acquisition, be owned by a Restricted Subsidiary of the Parent or (y) 100% of the Equity Interests of any such Person, which Person shall, as a result of the respective acquisition, become a Wholly-Owned Restricted Subsidiary of the Parent (or shall be merged with and into the Parent or a Wholly-Owned Restricted Subsidiary of the Parent).

"**Acquisition**" shall have the meaning provided in the recitals.

"**Acquisition Agreement**" shall have the meaning provided in the recitals.

"**Acquisition Agreement Representations**" shall mean those representations made by Easton Sports, Inc., Easton Sports Canada, Inc. and Easton-Bell Sports, LLC, and their respective Subsidiaries and businesses, in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Buyers have the right to terminate their obligations under the Acquisition Agreement, or to decline to consummate the Acquisition pursuant to the Acquisition Agreement, as a result of a breach of such representations in the Acquisition Agreement.

"**Acquisition Documents**" shall mean the collective reference to the Acquisition Agreement and all exhibits and schedules thereto, as in effect on February 13, 2014.

"**Additional Intercreditor Agreement**" shall mean an intercreditor agreement among the Administrative Agent, the Collateral Agent and one or more Junior Representatives for holders of Permitted Junior Debt providing that, *inter alia*, the Liens on the Collateral (as defined in the Security Documents) in favor of the Collateral Agent (for the benefit of the Secured Creditors) shall be senior to such Liens in favor of the Junior Representatives (for the benefit of the holders of Permitted Junior Debt), as such intercreditor agreement may be amended, amended and restated, modified or supplemented from time to time in accordance with the terms hereof and thereof. The Additional Intercreditor Agreement shall be in the form of a Customary Intercreditor Agreement.

"**Additional Security Documents**" shall have the meaning provided in Section 8.11(a).

"**Adjustment Date**" shall mean the first day of June, September, December and March of each fiscal year.

"**Administrative Agent**" shall mean Bank of America, in its capacity as Administrative Agent for the Lenders hereunder, and shall include any successor to the Administrative Agent appointed pursuant to Section 11.06.

"**Administrative Questionnaire**" means an Administrative Questionnaire in substantially the form of Exhibit D or any other form approved by the Administrative Agent.

"**Affiliate**" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; *provided*, *however*, that neither the Administrative Agent nor any Lender (nor any Affiliate thereof) shall be considered an Affiliate of the Parent or any Subsidiary thereof as a result of this Agreement, the extensions of credit hereunder or its actions in connection therewith.

"**Agent Parties**" shall have the meaning provided in Section 12.03(c).

"**Agents**" shall mean the Administrative Agent, the Collateral Agent, the Syndication Agents and any other agent with respect to the Credit Documents, including, without limitation, the Joint Lead Arrangers.

"**Aggregate Commitments**" shall mean, at any time, the aggregate amount of the Revolving Commitments of all Lenders.

"**Aggregate Exposures**" shall mean, at any time, the sum of (a) the aggregate

Outstanding Amount of all Loans *plus* (b) the LC Exposure, each determined at such time.

"**Agreement**" shall mean this Credit Agreement, as modified, supplemented, amended, restated (including any amendment and restatement hereof), extended or renewed from time to time.

"**Applicable Margin**" shall mean with respect to any Type of Revolving Loan, the per annum margin set forth below, as determined by the Average Availability as of the most recent Adjustment Date:

Level	Average Availability (percentage of Line Cap)	U.S. Base Rate/Canadian Prime Rate Loans	LIBO Rate/CDOR Loans
I	≥ 66%	0.50%	1.50%
II	≥ 33% but < 66%	0.75%	1.75%
III	< 33%	1.00%	2.00%

Until completion of the first full fiscal quarter after the Closing Date, the Applicable Margin shall be determined as if Level II were applicable. Thereafter, the Applicable Margin shall be subject to increase or decrease on each Adjustment Date based on Average Availability. If the Lead Borrowers fail to deliver any Borrowing Base Certificate on or before the date required for delivery thereof, then, at the option of the Required Lenders, the Applicable Margin shall be determined as if Level III were applicable, from the first day of the calendar month following the date such Borrowing Base Certificate was required to be delivered until the date of delivery of such Borrowing Base Certificate.

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

"**Assignment and Assumption Agreement**" shall mean an Assignment and Assumption Agreement substantially in the form of Exhibit K (appropriately completed) or such other form as shall be acceptable to the Administrative Agent.

"**Availability**" shall mean, as of any applicable date, the amount by which the Line Cap at such time exceeds the Aggregate Exposures on such date.

"**Average Availability** " shall mean, at any Adjustment Date, the average daily Availability for the fiscal quarter immediately preceding such Adjustment Date.

"**Average Usage**" shall mean the Dollar Equivalent of average utilization of Revolving Commitments during the immediately preceding fiscal quarter.

"**Bank of America**" shall have the meaning provided in the first paragraph of this Agreement.

"**Bank Product**" shall mean any of the following products, services or facilities extended to the Parent or any Credit Parties: (a) Cash Management Services; (b) products under Swap Contracts; (c) commercial credit card and merchant card services; and (d) other banking products or services as may be requested by the Parent or any Credit Parties, other than Letters of Credit.

"**Bank Product Debt**" shall mean the Indebtedness and other obligations of the Parent or any Credit Parties relating to Bank Products.

"**Bank Product Reserve**" shall mean the aggregate amount of reserves established by the Administrative Agent from time to time in its discretion in respect of Secured Bank Product Obligations (which shall at all times include a reserve for the maximum amount of all Noticed Hedges outstanding at that time).

"**Bankruptcy Code**" shall have the meaning provided in Section 10.01(e).

"**Bona Fide Debt Fund**" shall mean a bona fide debt fund or investment vehicle that is engaged in making, purchasing, holding or otherwise investing in loans, commitments and similar extensions of credit in the ordinary course of business.

"**Borrower Materials**" shall have the meaning provided in Section 8.01.

"**Borrowers**" shall mean (i) the Lead Borrowers and (ii) the Subsidiary Borrowers.

"**Borrowing**" shall mean the borrowing of the same Type of Revolving Loan by the Borrowers from all the Lenders having Commitments on a given date (or resulting from a conversion or conversions on such date), having in the case of LIBO Rate Loans or CDOR Loans, the same Interest Period; *provided* that U.S. Base Rate Loans incurred pursuant to Section 3.02 shall be considered part of the related Borrowing of LIBO Rate Loans.

"**Borrowing Base**" shall mean at any time of calculation, an amount equal to the sum of the Dollar Equivalent of the Canadian Borrowing Base and the U.S. Borrowing Base.

The Administrative Agent shall (i) promptly notify the Lead Borrowers in writing (including via e-mail) whenever it determines that the Borrowing Base set forth on a Borrowing Base Certificate differs from the Borrowing Base, (ii) discuss the basis for any such deviation and any changes proposed by the Lead Borrowers, including the reasons for any impositions of or changes in Reserves (in the Administrative Agent's Permitted Discretion and subject to the definition thereof), with the Lead Borrowers, (iii) consider, in the exercise of its Permitted Discretion, any additional factual information provided by the Lead Borrowers relating to the determination of the Borrowing Base and (iv) promptly notify the Lead Borrowers of its decision with respect to any changes proposed by the Lead Borrowers. Pending a decision by the Administrative Agent to make any requested change, the initial determination of the Borrowing Base by the Administrative Agent shall continue to constitute the Borrowing Base.

It is understood that until such time as the Lead Borrowers have delivered to the Administrative Agent the field examination, inventory appraisal, and initial Borrowing Base Certificate required by Section 5.17(a) hereof, the Borrowing Base shall be determined based on the Interim Borrowing Base Certificate delivered pursuant to Section 5.17(b) hereof on or prior to the Closing Date or pursuant to Section 8.17(a) hereof for the month most-recently ended, and calculated as an amount equal to the sum of, without duplication:

(a) the net book value of Accounts of the Borrowers, *multiplied by* the advance rate of 50%, *plus*

(b) the net book value of Inventory of the Borrowers located in the United States or Canada *multiplied by* the advance rate of 45%.

Notwithstanding the foregoing, until the 90th day following the Closing Date the Borrowing Base will be deemed to be the greater of U.S. $100 million and the Borrowing Base otherwise determined in accordance with the paragraph above.

"**Borrowing Base Certificate**" shall mean a certificate of a Responsible Officer of the Lead Canadian Borrower with respect to the Canadian Borrowing Base or the Lead U.S. Borrower with respect to the U.S. Borrowing Base, in each case in form and substance satisfactory to the Administrative Agent.

"**Business Day**" shall mean (i) for all purposes other than as covered by clauses (ii) or (iii) below, any day except Saturday, Sunday and any day that shall be in New York City a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close, (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBO Rate Loans, any day that is a Business Day described in clause (i) above and that is also a day for trading by and between banks in the New York or London interbank market and (iii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Loans to any Canadian Borrower, any day that is a Business Day described in clause (i) above and that is also not a legal holiday on which banks are authorized or required to be closed in Toronto, Ontario.

"**Buyers**" shall have the meaning provided in the recitals.

"**Canadian AML Acts**" shall mean applicable Canadian law regarding anti-money laundering, anti-terrorist financing, government sanctions and "know your client" matters, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

"**Canadian Borrowers**" shall mean KBAU Holdings Canada, Inc., Bauer Hockey Corp, BPS Greenland Corp., BPS Diamond Sports Corp., Bauer Performance Lacrosse Corp. and Bauer Performance Sports Uniforms Corp.

"**Canadian Borrowing Base**" shall mean the sum, without duplication, of the following as set forth in the most recently delivered Borrowing Base Certificate:

(a) the book value of Eligible Accounts of the Canadian Borrowers *multiplied by* the advance rate of 85%; *plus*

(b) the lesser of (x) the Cost of Eligible Inventory of the Canadian Borrowers *multiplied by* the advance rate of 70% and (y) the Net Recovery Cost Percentage *multiplied by* the Cost of Eligible Inventory of the Canadian Borrowers *multiplied by* the advance rate of 85%; *minus*

(c) any Reserves established from time to time by the Administrative Agent in accordance herewith.

"**Canadian Defined Benefit Plan**" means a Canadian Pension Plan that contains a "defined benefit provision" as defined in Subsection 147.1(1) of the ITA.

"**Canadian Dollar Denominated LC Disbursements**" shall mean LC Disbursements denominated in Canadian Dollars.

"**Canadian Dollar Denominated Loans**" shall means Loans denominated in Canadian Dollars at the time of the incurrence thereof.

"**Canadian Dollar Revolving Note**" shall mean each revolving note substantially in the form of Exhibit B-2 hereto.

"**Canadian Dollars**" and the sign "Cdn.**$**" shall each mean freely transferable lawful money (expressed in Canadian Dollars) of Canada.

"**Canadian Dominion Account**" shall mean a special Concentration Account established by the Lead Canadian Borrower at Bank of America or another bank reasonably acceptable to the Administrative Agent, over which the Administrative Agent has exclusive control for withdrawal purposes pursuant to the terms and provisions of this Agreement and the other Credit Documents.

"**Canadian Employee Plan**" means a Canadian Pension Plan, a Canadian Welfare Plan or both.

"**Canadian GAAP**" shall mean, applied on a consistent basis, generally accepted accounting principles in Canada as in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants.

"**Canadian Pension Plan**" means a pension plan or plan that is subject to the Pension Benefits Act (Ontario) or any other similar legislation in any other jurisdiction of Canada for employees in Canada and former employees in Canada of the Parent or any Subsidiary of the Parent.

"**Canadian Pledge Agreement**" shall mean, collectively, each pledge agreement, in substantially the form of Exhibit F-2 (together with each other Canadian pledge agreement delivered pursuant to the terms of this Agreement), as amended, amended and restated, or

otherwise modified or supplemented from time to time.

"**Canadian Prime Rate**" means for any day a fluctuating rate per annum equal to the greater of (a) the per annum rate of interest quoted or established as the Canadian Dollar "prime rate" of Bank of America, N.A. (acting through its Canada branch) which it quotes or establishes for such day as its reference rate of interest in order to determine interest rates for commercial loans in Canadian Dollars in Canada to its Canadian borrowers; and (b) the average CDOR Rate for a 30-day term plus ½ of 1% per annum adjusted automatically with each quoted or established change in either such rate, all without the necessity of any notice to any Borrower or any other Person. The "prime rate" is a rate set by Bank of America, N.A. (acting through its Canada branch) based upon various factors including Bank of America, N.A.'s (acting through its Canada branch) costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America, N.A. (acting through its Canada branch) shall take effect at the opening of business on the day specified in the public announcement of such change.

"**Canadian Prime Rate Loan**" shall mean each Revolving Loan that is designated or deemed designated as such by the Lead Canadian Borrower at the time of the incurrence thereof or conversion thereto.

"**Canadian Priority Payables**" means, at any time the amount payable by any Canadian Borrower or any other Canadian Subsidiary, or the accrued amount for which each of the Canadian Borrowers or any other Canadian Subsidiary has an obligation to remit to a governmental authority or other Person pursuant to any applicable law, in respect of (i) pension fund obligations; (ii) employment insurance; (iii) goods and services taxes, sales taxes, harmonized taxes, excise taxes, value added taxes, employee income taxes and other taxes or governmental royalties payable or to be remitted or withheld and tax payable pursuant to Part IX of the Excise Tax Act (Canada) (net of input credits); (iv) workers' compensation; (v) wages, commissions, severance pay, employee deductions, vacation pay and amounts payable under the *Wage Earner Protection Program Act (Canada)* or secured by Section 81.3 or 81.4 of the *Bankruptcy and Insolvency Act (Canada)* and (vi) other like charges and demands; in each case, in respect of which any governmental authority or other Person may claim a security interest, hypothec, prior claim, lien, trust (statutory or deemed) or other claim or Lien ranking or capable of ranking in priority to or *pari passu* with one or more of the Liens granted in the Security Documents.

"**Canadian Priority Payables Reserves**" means, on any date of determination for the Canadian Borrowing Base, a reserve established by the Administrative Agent in its reasonable discretion in such amount as the Agent may determine reflects the unpaid or unremitted Canadian Priority Payables of the Canadian Credit Parties, which would give rise to a Lien under applicable laws with priority over, or *pari passu* with, the Liens of the Administrative Agent for the benefit of the Secured Parties.

"**Canadian Security Agreement**" shall mean, collectively, each security agreement

and hypothec, in substantially the form of Exhibit G-2 (together with each other Canadian security agreement or hypothec delivered pursuant to the terms of this Agreement), as amended, amended and restated or otherwise modified or supplemented from time to time.

"**Canadian Statutory Plan**" means any benefit plan that the Parent or any Subsidiary of the Parent is required by statute to participate in or contribute to in respect of any current or former employee, director, officer, consultant or independent contractor in Canada of that Person, or any dependent of any of them, including the Canada Pension Plan, the Quebec Pension Plan and plans administered pursuant to applicable legislation regarding healthcare, workers' compensation insurance and employment insurance.

"**Canadian Unfunded Pension Liability**" of any Canadian Defined Benefit Plan shall mean a solvency deficiency within the meaning of the Pension Benefits Act (Ontario) or other similar legislation in any other jurisdiction of Canada applicable to the Canadian Defined Benefit Plan, determined as of the end of the most recent plan year of the Canadian Defined Benefit Plan.

"**Canadian Welfare Plan**" means any deferred compensation, bonus, share option or purchase, savings, retirement savings, retirement benefit, profit sharing, medical, health, hospitalization, insurance or any other benefit, program, agreement or arrangement, funded or unfunded, formal or informal, written or unwritten, that is applicable to any current or former employee, director, officer, consultant or independent contractor in Canada of the Parent or any Subsidiary of the Parent, or any dependent of any of them, other than a Canadian Pension Plan or a Canadian Statutory Plan.

"**Capital Expenditures**" shall mean, with respect to any Person, all expenditures by such Person which should be capitalized in accordance with IFRS and, without duplication, the amount of Capital Expenditures incurred by such Person; *provided* that Capital Expenditures shall not include (i) the purchase price paid in connection with the Acquisition or a Permitted Acquisition, (ii) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for such existing equipment being traded in at such time, (iii) expenditures made in leasehold improvements, to the extent reimbursed by the landlord, (iv) expenditures to the extent that they are actually paid for by a third party (excluding any Credit Party or any of its Restricted Subsidiaries) and for which no Credit Party or any of its Restricted Subsidiaries has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such third party or any other Person (whether before, during or after such period) and (v) property, plant and equipment taken in settlement of accounts.

"**Capitalized Lease Obligations**" shall mean, with respect to any Person, all rental obligations of such Person which, under IFRS, are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with IFRS.

"**Cash Collateralize**" shall mean to pledge and deposit with or deliver to the

Administrative Agent for deposit into the LC Collateral Accounts, for the benefit of the Administrative Agent, the Issuing Bank or the Swingline Lender (as applicable) and the Lenders, cash as collateral for the LC Exposure, Obligations in respect of Swingline Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), in accordance with Section 2.13(j).

"**Cash Collateral**" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"**Cash Equivalents**" shall mean:

(i) U.S. Dollars, Canadian Dollars, pounds sterling, euros, the national currency of any participating member state of the European Union or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(ii) readily marketable direct obligations of any member of the European Economic Area, Switzerland, or Japan, or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, and, at the time of acquisition thereof, having in each case, maturities of not more than twelve (12) months from the date of acquisition and having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(iii) marketable general obligations issued by any state of the United States or any province or territory of Canada or any political subdivision thereof or any instrumentality thereof that are guaranteed by the full faith and credit of such state, province or territory and, at the time of acquisition thereof, having in each case, maturities of not more than twelve (12) months from the date of acquisition and having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(iv) securities or any other evidence of Indebtedness or readily marketable direct obligations issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality of the United States or Canadian government (*provided* that the full faith and credit of the United States or Canada is pledged in support of those securities), in such case having maturities of not more than twelve (12) months from the date of acquisition;

(v) certificates of deposit and eurodollar time deposits with maturities of twelve (12) months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve (12) months and overnight bank deposits, in each case, with any Lender party to this Agreement or any commercial bank or trust company having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's and a combined capital and surplus greater than $500,000,000;

(vi) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (iv) and (v) above entered into with any financial institution meeting the qualifications specified in clause (v) above;

(vii) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within twelve (12) months after the date of acquisition; and

(viii) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (i) through (vii) of this definition.

"**Cash Management Services**" shall mean any services provided from time to time to the Parent or any of its Subsidiaries in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox and stop payment services.

"**CDOR Loan**" shall mean each Revolving Loan designated as such by the Lead Canadian Borrower at the time of the incurrence thereof or conversion thereto.

"**CDOR Rate**" shall mean the rate per annum equal to the average of the annual yield rates applicable to Canadian Dollar banker's acceptances for the respective Interest Period at or about 10:00 a.m. (Toronto, Ontario time) on the first day of such Interest Period as reported on the "CDOR Page" (or any display substituted therefor) of Reuters Monitor Money Rates Service (or such other page or commercially available source displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances as may be designated by the Administrative Agent from time to time) for a term equivalent to such Interest Period; *provided*, that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice and, with respect to the Borrowers, other similarly situated borrowers; *provided*, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and consistent with determinations for other similarly situated borrowers.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same has been amended and may hereafter be amended from time to time, 42 U.S.C. § 9601 et seq.

"**CFC**" shall mean a Subsidiary of the Parent that is a "controlled foreign corporation" for purposes of Section 957 of the Code.

"**Change of Control**" shall mean an event or series of events by which any of the following occurs:

(a) the direct or indirect sale, transfer, conveyance or other Disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent and its Subsidiaries, taken as a whole, to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act); or

(b) any "person" (as defined above) becomes the beneficial owner, directly or indirectly, of more than 35% of the combined voting power of all of Equity Interests entitled to vote for members of the board of directors or equivalent governing body of the Parent; or

(c) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent ceases to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued but only to the extent a Lender is imposing applicable increased costs or costs in connection with capital adequacy requirements similar to those described in clauses (i) and (ii) of Section 3.01(a) generally on other borrowers of loans under United States and/or Canadian asset-based revolving credit facilities.

"**Chattel Paper**" shall have the meaning provided in Article 9 of the UCC.

"**Closing Date**" shall mean April 15, 2014.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" shall mean all property (whether real, personal or otherwise) with respect to which any security interests or hypothecs have been granted (or purported to be granted) pursuant to any Security Document (including any Additional Security Documents) or will be granted in accordance with requirements set forth on Schedule 7.12 including, without limitation, all Pledge Agreement Collateral, all collateral as described in the Security Agreements, all Mortgaged Properties and all cash and Cash Equivalents.

"**Collateral Agent**" shall mean the party acting as collateral agent for the Secured Creditors pursuant to the Security Documents.

"**Collection Account**" means a Deposit Account that is used by a Borrower for the collection of proceeds of Accounts of such Borrower and maintained in the United States or Canada other than a Deposit Account: (i) which is used exclusively for the purpose of making payroll and withholding tax payments related thereto and other employee wage and benefit payments and accrued and unpaid employee compensation (including salaries, wages, benefits and expense reimbursements), (ii) which is exclusively used for paying taxes, including sales taxes, (iii) which is exclusively an escrow account fiduciary or trust account or (iv) that is a zero balance Deposit Account.

"**Commitment**" shall mean, with respect to any Lender, such Lender's Revolving Commitment, LC Commitment or Swingline Commitment, or any Extended Revolving Loan Commitment.

"**Commitment Fee**" shall have the meaning assigned to such term in Section 2.05(a).

"**Commitment Fee Percentage**" shall mean (i) initially, 0.50% per annum on the average daily unused Availability, calculated based upon the actual number of days elapsed over a 360-day year payable quarterly in arrears and (ii) from and after the delivery by the Lead Borrowers to the Administrative Agent of the Borrowing Base Certificate for the first full fiscal quarter completed after the Closing Date, determined by reference to the following grid on a per annum basis based on the Average Usage as a percentage of the Revolving Commitments during the immediately preceding fiscal quarter:

Average Usage	**Commitment Fee Percentage**
< 50%	0.375%
≥ 50%	0.25%

"**Company Material Adverse Effect**" shall mean any change, event, development, condition or occurrence which, individually or together with any one or more other changes, events, developments, conditions or occurrences, has had or would reasonably be expected to have a material adverse effect on or with respect to the assets, liabilities, properties, business, results of operations, condition (financial or otherwise), of the Business and the Purchased Assets, taken as a whole, in each case, except for any such change, event,

development, condition or occurrence resulting from or arising out of (a) changes in general economic, financial, or market conditions, (b) changes generally affecting the industries in which the Business is conducted, (c) changes in applicable laws or accounting requirements or interpretations thereof after the date hereof, (d) an earthquake or other natural disaster, (e) the taking of any actions permitted by the Acquisition Agreement, (f) the failure to meet projections (but not the underlying facts or reasons for such failure to meet such projections), or (g) any act of war, terrorism or armed conflict which, in the case of any of the foregoing clauses (a) through (g) does not disproportionately affect the Business and the Purchased Assets relative to other Persons in the industry in which the Sellers operate the Business. Capitalized terms used in the foregoing definition and not defined herein shall have the meanings given such terms by the Acquisition Agreement as in effect on February 13, 2014.

"**Compliance Certificate**" shall mean a certificate of the Responsible Officer of the Parent substantially in the form of Exhibit J hereto, or otherwise, in form and substance reasonably satisfactory to the Administrative Agent.

"**Concentration Account**" means a Collection Account, if any, that is used by a Borrower as a primary concentration account for proceeds of Accounts of such Borrower and that is maintained in the United States or Canada.

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Consolidated Depreciation and Amortization Expense** " shall mean, with respect to any Person, for any period, the total amount of depreciation and amortization expense, including (i) amortization of deferred financing fees, (ii) amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits and (iii) amortization of intangibles (including goodwill and organizational costs) (excluding any such adjustment to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such adjustment is subsequently reversed), in each case of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS.

"**Consolidated EBITDA**" shall mean, for any period, Consolidated Net Income for such period; *plus*

all of the following, in each case as determined without duplication in accordance with Section 12.06(a) and, except with respect to clause (ix), to the extent deducted in calculating Consolidated Net Income for such period:

(i) Interest Expense;

(ii) provision for taxes based on income or profits or capital (or any alternative tax in lieu thereof), including, without limitation, federal, foreign, state, provincial, franchise and similar taxes and foreign withholding taxes of the Parent

and its Restricted Subsidiaries for such period, including payments made pursuant to any tax sharing agreements or arrangements among the Parent and its Restricted Subsidiaries (including penalties and interest related to taxes or arising from tax examinations);

(iii) Consolidated Depreciation and Amortization Expense of such Person for such period;

(iv) other costs or expense pursuant to any management equity plan, supplemental executive retirement plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Parent or net cash proceeds of an issuance of common Equity Interests of the Parent or Qualified Preferred Stock;

(v) any compensation expense (whether cash or non-cash) resulting from the repurchase of any Equity Interests of the Parent from employees, directors or consultants of the Parent or any of its Restricted Subsidiaries, in each case pursuant to the provisions of Section 9.03(c);

(vi) any up-front fees, transaction costs, commissions, expenses, premiums or charges related to any equity offering, permitted investment, acquisition, disposal or incurrence, repayment, amendment or modification of Indebtedness permitted by this Agreement (whether or not successful) and up-front or financing fees, transaction costs, commissions, expenses, premiums or charges related to the Transaction and any nonrecurring merger or business acquisition transaction costs incurred during such period (in each case whether or not successful);

(vii) cash restructuring charges or reserves and business optimization expense, including any restructuring costs and integration costs incurred in connection with Permitted Acquisitions after the Closing Date, costs related to the opening and closure and/or consolidation of facilities, retention charges, contract termination costs, retention, recruiting, relocation, severance and signing bonuses and expenses, transaction fees and expenses, future lease commitments, systems establishment costs, conversion costs and excess pension charges, consulting fees and any one-time expense relating to enhanced accounting function or any other costs incurred in connection with any of the foregoing; *provided* that the aggregate amount of add backs made pursuant to this clause (vii) for any period of four consecutive fiscal quarters, when added to the aggregate amount of add backs made pursuant to clause (viii) below for such period of four consecutive fiscal quarters, shall not exceed an amount equal to 15% of Consolidated EBITDA for such period of four consecutive fiscal quarters (without giving effect to any adjustments pursuant to this clause (vii) or clause (viii) below);

(viii) the amount of net cost savings, operating expense reductions, other operating improvements and acquisition synergies projected by the Parent in good

faith to be realized during such period (calculated on a *pro forma* basis as though such items had been realized on the first day of such period) as a result of actions taken or to be taken in connection with the Transaction or any acquisition or disposition or operational change by the Parent or any Restricted Subsidiary, net of the amount of actual benefits realized during such period that are otherwise included in the calculation of Consolidated EBITDA from such actions, *provided* that (A) a duly completed certificate signed by a Responsible Officer of the Parent shall be delivered to the Administrative Agent with the Compliance Certificate required to be delivered pursuant to Section 8.01(d), certifying that (x) such cost savings, operating expense reductions, other operating improvements and synergies are reasonably expected and factually supportable in the good faith judgment of the Parent, and (y) such actions are to be taken within (I) in the case of any such cost savings, operating expense reductions, other operating improvements and synergies in connection with the Transaction, 12 months after the Closing Date and (II) in all other cases, within 12 months after the consummation of the acquisition, disposition, restructuring or the implementation of an initiative, which is expected to result in such cost savings, expense reductions, other operating improvements or synergies, (B) no cost savings, operating expense reductions, other operating improvements and synergies shall be added pursuant to this clause (viii) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, for such period, (C) to the extent that any cost savings, operating expense reductions, other operating improvements and synergies are not associated with the Transaction or any other specified transaction, all steps shall have been taken for realizing such savings, (D) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this clause (viii) to the extent occurring more than four full fiscal quarters after the specified action taken in order to realize such projected cost savings, operating expense reductions and synergies and (E) the aggregate amount of add backs made pursuant to this clause (viii) for any period of four consecutive fiscal quarters, when added to the aggregate amount of add backs made pursuant to clause (vii) above for such period of four consecutive fiscal quarters, shall not exceed an amount equal to 15% of Consolidated EBITDA for such period of four consecutive fiscal quarters (without giving effect to any adjustments pursuant to this clause (viii) or clause (vii) above);

(ix) to the extent covered by insurance and actually reimbursed or otherwise paid, or, so long as the Parent has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed or otherwise paid by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed or otherwise paid within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed or otherwise paid within such 365 days), expenses with respect to liability or casualty events and expenses or losses relating to business interruption;

(x) expenses to the extent covered by contractual indemnification or refunding provisions in favor of the Parent or a Restricted Subsidiary and actually paid or refunded, or, so long as the Parent has made a determination that there exists reasonable evidence that such amount will in fact be paid or refunded by the indemnifying party or other obligor and only to the extent that such amount is (A) not denied by the applicable indemnifying party or obligor in writing within 90 days and (B) in fact reimbursed within 180 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 180 days);

(xi) the amount of any minority expense; and

(xii) all non-cash charges and non-cash losses which were included in arriving at Consolidated Net Income for such period (excluding any such non-cash charges or non-cash losses to the extent that they represent an accrual or reserve for potential cash charges or losses in any future period or amortization of a prepaid cash charge or loss that was paid in a prior period);

minus all non-cash gains to the extent included in Consolidated Net Income for such period (excluding any non-cash gains to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period);

provided that, notwithstanding the foregoing:

(1) to the extent that any non-cash charge added back to Consolidated Net Income pursuant to any of the foregoing provisions for any period (including periods prior to the Closing Date pursuant to the Existing Credit Agreement) shall become a cash event during any subsequent period, the amount thereof shall be deducted from Consolidated Net Income in determining Consolidated EBITDA for such subsequent period, except, (x) in the case of compensation expense resulting from the repurchase of any Equity Interests of the Parent from employees of the Parent or any of its Restricted Subsidiaries, to the extent permitted to be added in determining Consolidated EBITDA pursuant to the foregoing clause (v) and (y) in the case of restructuring charges, to the extent permitted to be added in determining Consolidated EBITDA pursuant to the foregoing clause (vii);

(2) in determining the Consolidated Total Net Leverage Ratio, Consolidated Fixed Charge Coverage Ratio and the Consolidated Senior Secured Net Leverage Ratio, Consolidated EBITDA for any period shall be calculated on a Pro Forma Basis to give effect to any Acquired Entity or Business (other than any Unrestricted Subsidiary redesignated as a Restricted Subsidiary of the Parent) acquired during such period pursuant to a Permitted Acquisition and not subsequently sold or otherwise disposed of by the Parent or any of its Restricted Subsidiaries during such period;

(3) in determining the Consolidated Total Net Leverage Ratio,

Consolidated Fixed Charge Coverage Ratio and the Consolidated Senior Secured Net Leverage Ratio, Consolidated EBITDA for any period shall be calculated on a Pro Forma Basis to give effect to any disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of any Subsidiary of the Parent or of the Equity Interests of any Subsidiary of the Parent during such period and not subsequently reacquired by the Parent or any of its Restricted Subsidiaries during such period; and

(4) Consolidated EBITDA shall be deemed to be $22,900,000 for the fiscal quarter ended May 31, 2013, $37,600,000 for the fiscal quarter ended August 31, 2013 and $21,900,000 for the fiscal quarter ended November 30, 2013.

"**Consolidated Fixed Charge Coverage Ratio**" shall mean, for any Test Period or for any period of four consecutive fiscal quarters of the Parent before any Test Period has ended for which financial statements have been delivered, the ratio of (a) Consolidated EBITDA for such period, *minus* (x) Capital Expenditures paid in cash (excluding the proceeds of any Indebtedness (other than Indebtedness hereunder)) for such period and (y) the amount of cash payments made during such period by the Parent and its Restricted Subsidiaries in respect of federal, state, provincial, local and foreign income taxes based on income or profits or capital (or any alternative tax in lieu thereof), including, without limitation, federal, foreign, state, provincial, franchise and similar taxes and foreign withholding taxes to (b) Consolidated Fixed Charges for such period.

"**Consolidated Fixed Charges**" shall mean, for any Test Period or for any period of four consecutive fiscal quarters of the Parent before any Test Period has ended for which financial statements have been delivered, for the Parent and its Restricted Subsidiaries on a consolidated basis, the sum, without duplication, of (a) Consolidated Interest Charges for such period to the extent paid in cash (or accrued and payable on a current basis in cash), (b) the aggregate amount of scheduled amortization payments of principal made or required to be made during such period in respect of long-term Consolidated Indebtedness of the Parent and its Restricted Subsidiaries and (c) the aggregate amount of all Dividends permitted by Section 9.03(f) and Section 9.03(h) paid in cash during such period. Notwithstanding the foregoing, for purposes of calculating Consolidated Fixed Charges for any period that includes a fiscal quarter (or portion thereof) prior to the Closing Date, Consolidated Fixed Charges shall be calculated from the period from the Closing Date to the date of determination divided by the number of days in such period and *multiplied by* 365.

"**Consolidated Indebtedness**" shall mean, at any time, the sum of (without duplication) (i) all Indebtedness of the Parent and its Restricted Subsidiaries (on a consolidated basis (it being understood that Indebtedness under this Agreement shall be deemed to be equal to the average quarterly amount of obligations outstanding under this Agreement over the last completed twelve month period (*provided*, that such Indebtedness shall be deemed to be $60,440,000 for the fiscal quarter ended May 31, 2013, $79,331,000 for the fiscal quarter ended August 31, 2013, $67,754,000 for the fiscal quarter ended November 30, 2013 and $57,203,000 for the fiscal quarter ended February 28, 2014)) that

would be required to be reflected as debt or Capitalized Lease Obligations on the liability side of a consolidated balance sheet of the Parent and its consolidated Restricted Subsidiaries in accordance with IFRS, (ii) all Indebtedness of the Parent and its Restricted Subsidiaries of the type described in clause (i)(A) of the definition of Indebtedness and (iii) all Contingent Obligations of the Parent and its Restricted Subsidiaries in respect of Indebtedness of any third Person of the type referred to in the preceding clauses (i) and (ii); *provided* that Consolidated Indebtedness shall not include Indebtedness in respect of any Refinancing Notes or Permitted Junior Notes that have been defeased or satisfied and discharged in accordance with the applicable indenture or with respect to which the required deposit has been made in connection with a call for repurchase or redemption to occur within the time period set forth in the applicable indenture, in each case to the extent such transactions are permitted by Section 9.07.

"**Consolidated Interest Charges**" shall mean, for any Test Period or for any period of four consecutive fiscal quarters of the Parent before any Test Period has ended for which financial statements have been delivered, for the Parent and its Restricted Subsidiaries on a consolidated basis, all cash interest, premium payments, debt discount, charges and related fees and expenses, net of interest income, of the Parent and its Restricted Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with IFRS, excluding (a) upfront or financing fees, transaction costs, commissions, expenses, premiums or charges, (b) costs associated with obtaining, or breakage costs in respect of swap or hedging agreements and (c) amortization of deferred financing costs. Notwithstanding the foregoing, for purposes of calculating Consolidated Interest Charges for any period that includes a fiscal quarter (or portion thereof) prior to the Closing Date (other than as a component of Consolidated EBITDA), Consolidated Interest Charges shall be calculated from the period from the Closing Date to the date of determination divided by the number of days in such period and *multiplied by* 365.

"**Consolidated Net Income**" shall mean, for any period, the net income (or loss) of the Parent and its Restricted Subsidiaries for such period, determined on a consolidated basis (after any deduction for minority interests), *provided* that :

(i) in determining Consolidated Net Income, the net income (or loss) of any other Person which is not a Restricted Subsidiary of the Parent or is accounted for by the Parent by the equity method of accounting shall be included (x) in the case of net income, only to the extent of the payment of dividends, distributions or other payment that are actually paid in cash (or to the extent converted into cash) by such other Person to the Parent or a Restricted Subsidiary thereof during such period, or (y) in the case of net loss, only to the extent of any losses actually funded (through Investments or otherwise) by the Parent or a Restricted Subsidiary thereof during such period;

(ii) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of extraordinary, non-recurring or unusual gains or losses (less

all fees and expenses relating thereto) or expenses (including relating to the Transaction and any reconstruction, recommissioning or reconfiguration of fixed assets for alternate uses) shall be excluded;

(iii) the net income or loss for such period shall not include the cumulative effect of a change in accounting principles during such period, whether effected through a cumulative effect adjustment or a retroactive application, in each case in accordance with IFRS;

(iv) any net after-tax effect (using a reasonable estimate based on applicable tax rates) from disposed, abandoned or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned or discontinued operations shall be excluded;

(v) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or the sale or other disposition of any Equity Interests of any Person other than in the ordinary course of business, as determined in good faith by the Parent, shall be excluded;

(vi) any effects of purchase accounting (including the effects of such adjustments pushed down to such Person and its Subsidiaries) in component amounts required or permitted by IFRS, resulting from the application of purchase accounting in relation to the Transaction or any Permitted Acquisition or Investment that is consummated after the Closing Date, net of taxes, or the amortization or write-up, writedown or write-off of any amounts thereof, net of taxes, shall be excluded;

(vii) any net after-tax effect (using a reasonable estimate based on applicable tax rates) from the early extinguishment of Indebtedness, Swap Contracts or Bank Product Debt or other derivative obligations shall be excluded;

(viii) any net unrealized after-tax gain or loss resulting from Swap Contracts or Bank Product Debt or other derivative instruments and the application of the application of Accounting Standards Codification No. 815 and their respective related pronouncements and interpretations shall be excluded;

(ix) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of any impairment charge or asset write-off, write-up or write-down and the amortization of intangibles and other fair value adjustments, in each case pursuant to IFRS, shall be excluded;

(x) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of non-cash compensation expense recorded from grants or periodic remeasurements of stock appreciation or similar rights, stock options, restricted stock or other rights or any other issuance of Equity Interests to employees, directors or consultants of the Parent or any of its Restricted Subsidiaries or any

compensation expense arising out of the Parent's existing supplemental executive retirement plans shall be excluded;

(xi) accruals and reserves that are established after 12 months after the Closing Date that are required to be established as a result of the Transaction in accordance with IFRS shall be excluded;

(xii) any adjustments attributable to foreign currency translations, including those relating to mark-to-market of Indebtedness denominated in foreign currencies resulting from the application of IFRS, including ASC No. 830, shall be excluded; and

(xiii) (a) to the extent covered by insurance and actually reimbursed, or, so long as such person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (x) not denied by the applicable carrier in writing within 180 days and (y) in fact reimbursed within 365 days following the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption shall be excluded; and (b) amounts estimated in good faith to be received from insurance in respect of lost revenues or earnings in respect of liability or casualty events or business interruption shall be included (with a deduction for amounts actually received up to such estimated amount to the extent included in Consolidated Net Income in a future period).

"**Consolidated Senior Secured Debt**" shall mean, at any time, (i) the sum of all Consolidated Indebtedness at such time that is secured by a Lien on any assets of the Parent or any of its Restricted Subsidiaries *less* (ii) the aggregate principal amount of any such Indebtedness of the Parent and its Restricted Subsidiaries at such time that is contractually subordinated in right of payment to the Obligations *less* (iii) the aggregate amount of unrestricted cash and Cash Equivalents (in each case, free and clear of all Liens, other than nonconsensual Liens permitted by Section 9.01 and Liens created under the Term Loan Credit Agreement and the credit documents related thereto, any Credit Document and any Permitted Junior Debt Documents (to the extent that such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis)) (it being understood that unrestricted cash and Cash Equivalents shall be deemed to be equal to the average quarterly amount of unrestricted cash and Cash Equivalents over the last completed four quarter period (*provided* that such unrestricted cash and Cash Equivalents shall be deemed to be $7,398,000 for the fiscal quarter ended May 31, 2013, $9,217,000 for the fiscal quarter ended August 31, 2013, $7,184,000 for the fiscal quarter ended November 30, 2013 and $7,093,000 for the fiscal quarter ended February 28, 2014) not in excess of $10,000,000 included on the consolidated balance sheet of the Parent and its Restricted Subsidiaries at such time.

"**Consolidated Senior Secured Net Leverage Ratio**" shall mean, at any time, the ratio of (i) Consolidated Senior Secured Debt at such time to (ii) Consolidated EBITDA for the Test Period then most recently ended (or, if no Test Period has ended as of such time,

for the period of four consecutive fiscal quarters of the Parent then most recently ended for which financial statements have been delivered). If the Consolidated Senior Secured Net Leverage Ratio is being determined for a given Test Period, Consolidated Senior Secured Debt shall be measured on the last day of such Test Period, with Consolidated EBITDA being determined for such Test Period, in each case, on a Pro Forma Basis.

"**Consolidated Total Assets** " shall mean, as of any date of determination, the amount that would, in conformity with IFRS, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Parent and the Restricted Subsidiaries at such date.

"**Consolidated Total Net Leverage Ratio** " shall mean, at any time, the ratio of (x) Consolidated Indebtedness at such time *minus* the aggregate amount of unrestricted cash and Cash Equivalents (in each case, free and clear of all Liens, other than nonconsensual Liens permitted by Section 9.01 and Liens created under the Term Loan Credit Agreement and the credit documents related thereto, any Credit Document and any Permitted Junior Debt Documents (to the extent that such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis)) (it being understood that unrestricted cash and Cash Equivalents shall be deemed to be equal to the average quarterly amount of unrestricted cash and Cash Equivalents over the last completed four quarter period (*provided* that such unrestricted cash and Cash Equivalents shall be deemed to be $7,398,000 for the fiscal quarter ended May 31, 2013, $9,217,000 for the fiscal quarter ended August 31, 2013, $7,184,000 for the fiscal quarter ended November 30, 2013 and $7,093,000 for the fiscal quarter ended February 28, 2014) not in excess of $10,000,000 included on the consolidated balance sheet of the Parent and its Restricted Subsidiaries at such time to (y) Consolidated EBITDA for the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Parent then most recently ended for which financial statements have been delivered). If the Consolidated Total Net Leverage Ratio is being determined for a given Test Period, Consolidated Indebtedness shall be measured on the last day of such Test Period, with Consolidated EBITDA being determined for such Test Period, in each case, on a Pro Forma Basis.

"**Contingent Obligation**" shall mean, as to any Person, any obligation of such Person as a result of such Person being a general partner of any other Person, unless the underlying obligation is expressly made non-recourse as to such general partner, and any obligation of such Person guaranteeing or intended to guarantee any Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any such obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder

of such primary obligation against loss in respect thereof; *provided*, *however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"**Cost**" shall mean, as reasonably determined by the Administrative Agent in good faith, with respect to Inventory, the lower of (a) cost or (b) market value; *provided* that for purposes of the calculation of Borrowing Base, the Cost of Inventory shall not include (A) the portion of the cost of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Borrower, (B) write ups or write downs in cost with respect to currency exchange rates or (C) any step-up in connection with the Acquisition.

"**Credit Agreement Party**" shall mean each of the Parent and each of the Borrowers.

"**Credit Documents**" shall mean this Agreement and, after the execution and delivery thereof pursuant to the terms of this Agreement, each Note, the Guaranty, each Security Document, the ABL/Term Intercreditor Agreement, any Additional Intercreditor Agreement, each Incremental Revolving Commitment Agreement and each Extension Amendment.

"**Credit Event**" shall mean the making of any Loan.

"**Credit Extension**" shall mean, as the context may require, (i) a Credit Event or (ii) the issuance, extension or renewal of any Letter of Credit by the Issuing Bank or the extension or renewal of any Existing Letter of Credit; *provided* that "***Credit Extensions***" shall not include conversions and continuations of outstanding Loans.

"**Credit Party**" shall mean the Parent, each Borrower and each Subsidiary Guarantor.

"**Customary Intercreditor Agreement**" means (a) to the extent executed in connection with the incurrence, issuance or other obtaining of secured Indebtedness the Liens on the Collateral securing such Indebtedness that are intended to rank senior in priority (in the case of Term Priority Collateral) and junior in priority or unsecured (in the case of ABL Priority Collateral) to the Liens on the Collateral securing the Obligations, the ABL/Term Intercreditor Agreement and (b) to the extent executed in connection with the incurrence, issuance or other obtaining of secured Indebtedness, the Liens on the Collateral securing such Indebtedness that are intended to rank junior to the Liens on the Collateral securing the Obligations, a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrowers, which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank junior to the Lien on the Collateral securing the Obligations.

"**Debtor Relief Laws**" means the Bankruptcy Code, the Bankruptcy and Insolvency

Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors or debt security holders, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, Canada or other applicable jurisdictions from time to time in effect.

"**Default**" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"**Default Rate**" shall have the meaning assigned to such term in Section 2.06(c).

"**Defaulting Lender**" shall mean, subject to Section 2.11(c), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Parent in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuing Bank, any Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two (2) Business Days of the date when due, (b) has notified the Parent, the Administrative Agent, any Issuing Bank or any Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Parent, to confirm in writing to the Administrative Agent and the Parent that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Parent), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other state, provincial or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative

Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and as of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.11(c)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Lead Borrowers, the Issuing Banks, the Swingline Lender and each other Lender promptly following such determination.

"**Deposit Account**" shall have the meaning assigned thereto in Article 9 of the UCC.

"**Deposit Account Control Agreement** " shall mean a Deposit Account control agreement to be executed by each institution maintaining a Collection Account or a Concentration Account for a Borrower or any other Credit Party, in each case as required by and in accordance with the terms of Section 8.17.

"**Designated Non-Cash Consideration**" shall mean the fair market value of non-cash consideration received by the Parent or one of its Restricted Subsidiaries in connection with a sale of assets that is so designated as Designated Non-Cash Consideration pursuant to an officers' certificate, setting forth the basis of such valuation, less the amount of cash and Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"**Dilution**" shall mean for any period with respect to any Borrower, the fraction, expressed as a percentage, the numerator of which is the aggregate amount of reductions in the Accounts of such Borrower for such period other than by reason of dollar for dollar cash payment and the denominator of which is the aggregate dollar amount of the sales of such Borrower for such period.

"**Dilution Reserve**" means, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Accounts by 1 percentage point (or fraction thereof, rounding to the nearest one-tenth of 1 percentage point) for each percentage point (or fraction thereof, rounding to the nearest one-tenth of 1 percentage point) by which Dilution is in excess of 5%; provided, that until the completion of the initial field examination, the Dilution Reserve shall be $0.

"**Distribution Conditions**" shall mean as to any relevant action contemplated in this Agreement, (i) no Event of Default has then occurred and is continuing or would result from any applicable action, (ii) (a) Availability on a Pro Forma Basis immediately after giving effect to such action would be at least the greater of (x) 17.5% of the Line Cap and (y) $26 million and (b) over the 30 consecutive days immediately prior to consummation of such action, Availability averaged no less than the greater of (x) 17.5% of the Line Cap and (y) $26 million, also on a Pro Forma Basis for such action and (iii) unless (a) Availability on a Pro Forma Basis immediately after giving effect to such action would be at least 22.5% of the Revolving Commitments and (b) over the 30 consecutive days immediately prior to consummation of such action, Availability averaged no less than 22.5% of the Revolving Commitments, the Consolidated Fixed Charge Coverage Ratio would be at least 1.1 to 1.0

on a Pro Forma Basis as of the most recent fiscal quarter for which Section 8.01 Financials have been delivered.

"**Disqualified Stock**" shall mean any preferred capital stock of the Borrower that is not Qualified Preferred Stock.

"**Dividend**" shall mean, with respect to any Person, that such Person has declared or paid a dividend, distribution or returned any equity capital to its stockholders, partners or members or authorized or made any other distribution, payment or delivery of property (other than common equity of such Person) or cash to its stockholders, partners or members as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration any shares of any class of its capital stock or any partnership or membership interests outstanding on or after the Closing Date (or any options or warrants issued by such Person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes.

"**Dollar Equivalent**" means, at any time, (a) with respect to any amount denominated in U.S. Dollars, such amount, and (b) with respect to any amount denominated in any other currency (including Canadian Dollars), the equivalent amount thereof as determined by the Administrative Agent or the Issuing Bank, as the case may be, at such time on the basis of the Spot Rate in accordance with Section 1.03.

"**Domestic Subsidiary**" shall mean, as to any Person, any Subsidiary of such Person incorporated or organized under the laws of (i) the United States, any state thereof or the District of Columbia (a "**U.S. Subsidiary**") or (ii) Canada or any province or territory thereof (a "**Canadian Subsidiary**").

"**Dominion Account**" shall mean a Canadian Dominion Account or a U.S. Dominion Account.

"**Effective Yield** " shall mean, as to any Revolving Loans, the effective yield on such Revolving Loans as determined by the Administrative Agent, taking into account the applicable interest rate margins, any interest rate floors or similar devices and all fees, including upfront or similar fees or original issue discount (amortized over the four years following the date of incurrence thereof) payable generally to Lenders making such Loans, but excluding any arrangement, structuring, commitment, underwriting or other fees payable in connection therewith that are not generally shared with the relevant Lenders and customary consent fees paid generally to consenting Lenders.

"**Eligible Accounts**" shall mean, on any date of determination of the Borrowing Base, all of the Accounts owned by all Borrowers and reflected in the most recent Borrowing Base Certificate delivered by the Lead Borrowers to the Administrative Agent, except any Account to which any of the exclusionary criteria set forth below applies. Eligible Accounts shall not include any of the following Accounts:

(i) any Account in which the Collateral Agent, on behalf of the Secured

Creditors, does not have a first priority perfected Lien (unless the reason for not having a first priority perfected Lien is solely due to the failure of the Collateral Agent to make the required filings after having received all documentation and information from the applicable Borrower on a timely basis reasonably requested by the Collateral Agent to permit it to maintain such first priority perfection; *provided however*, that the applicable Borrower shall cooperate with the Collateral Agent to effectuate and preserve such first priority perfection) (except such Liens as are permitted by Section 9.01(a) hereof);

(ii) any Account that is not owned by a Borrower;

(iii) any Account due from an Account Debtor that is not domiciled in the United States or Canada and (if not a natural person) organized under the laws of the United States or Canada or any political subdivision thereof in the aggregate unless, in each case, such Account is backed by a letter of credit or bank guaranty acceptable to the Administrative Agent which is (as applicable) in the possession of and is directly drawable by the Administrative Agent and, with respect to which the Administrative Agent has "control" as defined in Article 9-107 of the Uniform Commercial Code;

(iv) any Account that is payable in any currency other than U.S. Dollars or Canadian Dollars unless backed by a letter of credit or bank guarantee acceptable to the Administrative Agent;

(v) any Account that does not arise from the sale of goods or the performance of services by such Borrower in the ordinary course of its business;

(vi) any Account that does not comply in all material respects with all applicable legal requirements, including, without limitation, all laws, rules, regulations and orders of any Governmental Authority;

(vii) any Account (A) as to which a Borrower's right to receive payment is contingent upon the fulfillment of any condition whatsoever unless such condition is satisfied, (B) as to which a Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial or administrative process, (C) that represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to a Borrower's completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer, or (D) that arises with respect to goods that are delivered on a bill-and-hold, cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is or may be conditional except that Accounts arising from sales which are on a cash-on-delivery basis (to the extent such cash-on-delivery is in the ordinary course of business) shall not be deemed ineligible pursuant to this definition until 14 days after the shipment of the goods relating thereto;

(viii) to the extent that any defense, counterclaim or dispute arises, or the Account is, or is reasonably likely to become, subject to any right of set-off by the Account Debtor, to the extent of the amount of such set-off, it being understood that the remaining balance of the Account shall be eligible;

(ix) any Account that is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor;

(x) any Account with respect to which an invoice or other electronic transmission constituting a request for payment, reasonably acceptable to the Administrative Agent in form and substance, has not been sent on a timely basis to the applicable Account Debtor according to the normal invoicing and timing procedures of the Borrowers;

(xi) any Account that arises from a sale to any director, officer, other employee or Affiliate of a Borrower;

(xii) any Account that is in default; *provided* that, without limiting the generality of the foregoing, an Account shall be deemed in default at any time upon the occurrence of any of the following; *provided further* that, in calculating delinquent portions of Accounts under clause (xii)(A)(i) below, credit balances will be excluded:

(A) (i) such Account is unpaid for more than 60 days after the original due date shown on the invoice provided that up to $15,000,000 of invoices that would otherwise be deemed in default as a result of being unpaid for more than 60 days after the original due date shall not be deemed to be in default if such invoices are less than 90 days past due or (ii) such Account has dated terms of more than 270 days; *provided*, that only the portion of that invoice that has dated terms greater than 270 days shall be deemed in default, or (iii) such Account has dated terms of 181 days to 270 days if and to the extent that, all such Accounts with dated terms of 181 days to 270 days would otherwise exceed 25% of Eligible Accounts Receivable as of the applicable date of determination; or

(B) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors, fails to pay its debts generally as they come due, or is classified by the Parent and its Subsidiaries as "cash only, bad check," as determined by the Parent and its Subsidiaries in the ordinary course of business consistent with past-practice; or

(C) a petition is filed by or against any Account Debtor obligated upon such Account under any Debtor Relief Law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other

law or laws for the relief of debtors; *provided* that so long as an order exists permitting payment of trade creditors specifically with respect to such Account Debtor and such Account Debtor has obtained adequate post-petition financing to pay such Accounts, the Accounts of such Account Debtor shall not be deemed ineligible under the provisions of this clause (C) to the extent the order permitting such financing allows the payment of the applicable Account;

(xiii) any Account that is the obligation of an Account Debtor (other than an individual) if 50% or more of the dollar amount of all Accounts owing by such Account Debtor are ineligible under the criteria set forth in clause (xii) above;

(xiv) any Account as to which any of the representations or warranties in the Credit Documents are untrue in any material respect (to the extent such materiality relates to the amount owing on such Account);

(xv) any Account which is evidenced by a judgment, Instrument or Chattel Paper and such Instrument or Chattel Paper is not pledged and delivered to the Administrative Agent under the Security Documents;

(xvi) any Account on which the Account Debtor is the United States or a Governmental Authority in the United States, unless the applicable Borrower has assigned its rights to payment of such Account to the Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended, in the case of a federal Governmental Authority, and pursuant to applicable law, if any, in the case of any other Governmental Authority, and such assignment has been accepted and acknowledged by the appropriate government officers;

(xvii) any Account on which the Account Debtor is Canada or a Governmental Authority in Canada, unless the applicable Borrower has assigned its rights to payment of such Account to the Administrative Agent in compliance with the Financial Administration Act (Canada) in the case of a federal Governmental Authority, and pursuant to applicable law, if any, in the case of any other Governmental Authority, and such assignment has been accepted and acknowledged by the appropriate government officers;

(xviii) any Account which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to the Borrowers exceeds, in the case of Canadian Tire Corp. and its Subsidiaries, 40%, and in the case of all other Account Debtors, 15% of the aggregate Eligible Accounts of all Borrowers;

(xix) any Account which the goods giving rise to such Account have not been shipped to the Account Debtor or for which the services giving rise to such Account have not been performed by such Borrower;

(xx) any Account which is owing in respect of interest and late charges or fees in respect of Indebtedness; or

(xxi) any Account as to which the contract or agreement underlying such Account is governed by (or, if no governing law is expressed therein, is deemed to be governed by) the laws of any jurisdiction other than the United States, any state thereof, the District of Columbia, Canada or any province thereof.

"**Eligible Inventory**" shall mean, subject to adjustment as set forth below, items of Inventory of any Borrower held for sale in the ordinary course (excluding packing or shipping materials or maintenance supplies). Eligible Inventory shall exclude any Inventory to which any of the exclusionary criteria set forth below applies. The Administrative Agent shall have the right to establish, modify or eliminate Reserves against Eligible Inventory from time to time in its Permitted Discretion. Eligible Inventory shall not include any Inventory of the Borrowers that:

(i) is not solely owned by a Borrower, or is leased by or is on consignment to a Borrower, or the Borrowers do not have title thereto;

(ii) the Collateral Agent, on behalf of the Secured Creditors, does not have a first priority (unless the reason for not having a first priority perfected Lien is solely due to the failure of the Collateral Agent to make the required filings after having received all documentation and information from the applicable Borrower on a timely basis reasonably requested by the Collateral Agent to permit it to maintain such first priority perfection; *provided however* that the applicable Borrower shall cooperate with the Collateral Agent to effectuate and preserve such first priority perfection) (except such Liens as permitted by Section 9.01(a) hereof) perfected Lien upon;

(iii) (A) is stored at a location not owned by a Borrower unless (x) the Administrative Agent has given its prior consent thereto, (y) a reasonably satisfactory Landlord Lien Waiver and Access Agreement has been delivered to the Administrative Agent, or (z) Landlord Lien Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto, or (B) is stored with a bailee or warehouseman unless either (x) a reasonably satisfactory acknowledged bailee waiver letter has been received by the Administrative Agent, or (y) Landlord Lien Reserves reasonably satisfactory to the Administrative Agent have been established with respect thereto, it being understood that in each case, during the 90 day period immediately following the Closing Date (or such longer period as the Administrative Agent in its Permitted Discretion), such location or warehouse need not be subject to a Landlord Lien Waiver and Access Agreement or bailee waiver letter, and the lack thereof shall not otherwise deem the applicable inventory to be ineligible;

(iv) (A) is placed on consignment, unless a valid consignment agreement which is reasonably satisfactory to Administrative Agent is in place with respect to

such Inventory or (B) is in transit (except to the extent such Inventory (x) is purchased under documentary letters of credit (other than Letters of Credit) and is in transit from (1) any location in the United States or Canada for receipt by a Borrower within fifteen (15) days of the date of determination or (2) any location outside of the United States or Canada for receipt by a Borrower within 60 days of the date of determination), for which the document of title, to the extent applicable, reflects a Borrower as consignee (along with delivery to such Borrower of the documents of title, to the extent applicable, with respect thereto), and as to which the Administrative Agent has control over the documents of title, to the extent applicable, which evidence ownership of the subject Inventory, or (y) is in transit between locations leased, owned or occupied by a Borrower);

(v) is covered by a negotiable document of title, unless such document has been delivered to the Administrative Agent with all necessary endorsements, free and clear of all Liens except Liens in favor of landlords, carriers, bailees and warehousemen if clause (iii) has been complied with;

(vi) is unsalable, shopworn, seconds, damaged or unfit for sale, in each case, as determined in the ordinary course of business by the Borrowers;

(vii) consists of display items or packing or shipping materials, manufacturing supplies, work-in-process Inventory (other than Work-In-Process) or parts (other than Parts);

(viii) is not of a type held for sale in the ordinary course of the Borrowers', as applicable, business;

(ix) except as otherwise agreed by the Administrative Agent, does not conform in all material respects to the representations or warranties pertaining to Inventory set forth in the Credit Documents;

(x) is subject to any licensing arrangement or any other Intellectual Property or other proprietary rights of any Person, the effect of which would be to limit the ability of the Administrative Agent, or any Person selling the Inventory on behalf of the Administrative Agent, to sell such Inventory in enforcement of the Administrative Agent's Liens without further consent or payment to the licensor or such other Person (unless such consent has then been obtained);

(xi) is not covered by casualty insurance maintained as required by Section 8.03;

(xii) is acquired by a Borrower after the Closing Date (other than from another Borrower) and has a fair market value (a) taken together with all other assets concurrently acquired, of $20 million or more, or (b) taken together with all other assets acquired after the Closing Date and to become eligible pursuant to this clause (xii), of $40 million or more, unless and until such time as the Administrative Agent

shall have received or conducted (1) appraisals, from appraisers reasonably satisfactory to the Administrative Agent, of such Inventory acquired in such acquisition and (2) a commercial finance examination and such other due diligence as the Administrative Agent may reasonably require in order to determine the appropriate advance rate against such Inventory, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent; *provided*, that for the avoidance of doubt, the Borrowers shall be allowed to utilize any increase in the Borrowing Base resulting from the inclusion of such assets for the purpose of funding the purchase of such assets;

(xiii) which is located at any location where the aggregate value of all Eligible Inventory of the Borrowers at such location is less than $100,000;

(xiv) is Inventory of another type deemed ineligible per the initial inventory appraisal; or

(xv) except as otherwise contemplated by clause (iv)(B)(2) above, is, (a) with respect to the U.S. Borrowing Base, located outside the United States and (b) with respect to the Canadian Borrowing Base, located outside of Canada.

"**Eligible Transferee**" shall mean and include a commercial bank, an insurance company, a finance company, a financial institution, any fund that invests in loans or any other "accredited investor" (as defined in Regulation D of the Securities Act) (other than a natural person) but in any event excluding the Parent, each Borrower and each of their respective Subsidiaries and Affiliates.

"**Environment**" shall mean ambient air, indoor air, surface water, groundwater, drinking water, land surface and sub-surface strata and natural resources such as wetlands, flora and fauna.

"**Environmental Claims**" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, orders, directives, claims, liens, notices of liability, noncompliance or violation, penalties, investigations and/or proceedings relating in any way to any Environmental Law or any permit or license issued, or any approval given, under any such Environmental Law (hereafter, "**Claims**"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, injunctive or other equitable relief or other actions arising out of or relating to any Environmental Law or an alleged injury or threat of injury to human health, safety or the Environment due to the presence of Hazardous Materials, including any Release or threat of Release of any Hazardous Materials.

"**Environmental Law**" shall mean any Federal, state, provincial, foreign or local statute, law, rule, regulation, by-law, restriction, ordinance, code, permit, binding guideline, agreement and rule of common law, now or hereafter in effect and in each case as amended,

and any judicial or administrative interpretation thereof, including any judicial or administrative order or direction, consent decree or judgment, relating to the Environment, human health or Hazardous Materials, including, without limitation, in the United States: CERCLA; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 5101 et seq.; the Clean Water Act, 33 U.S.C. § 1251 *et seq*.; in Canada: the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C., 1985, c. F-14; *Species at Risk Act*, S.C. 2002, c. 29; *Transportation of Dangerous Goods Act* , 1992, S.C. 1992, c. 34; and any state, provincial and local or foreign counterparts or equivalents, in each case as amended from time to time.

"**Equipment**" shall have the meaning provided in the Security Agreements.

"**Equity Interests**" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and, unless the context indicates otherwise, the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any successor Section thereof.

"**ERISA Affiliate**" shall mean each person (as defined in Section 3(9) of ERISA) which together with the Parent or a Restricted Subsidiary of the Parent would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code and solely with respect to Section 412 of the Code, Sections 414(b), (c), (m) or (o) of the Code.

"**ERISA Event**" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, but excluding any event for which the 30-day notice period is waived with respect to a Plan, (b) any failure to make a required contribution to any Plan that would result in the imposition of a Lien or other encumbrance or the failure to satisfy the minimum funding standards set forth in Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA, or the arising of such a Lien or encumbrance, with respect to a Plan, (c) the incurrence by the Parent, a Restricted Subsidiary of the Parent, or an ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal (including under Section 4062(e) of ERISA) of any of the Parent, a Restricted Subsidiary of the Parent, or an ERISA Affiliate from any Plan or Multiemployer Plan, (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 of ERISA, or the receipt by the Parent, a Restricted Subsidiary of the Parent, or an ERISA Affiliate from the PBGC or a plan administrator of any notice of intent to terminate any Plan or Multiemployer Plan

or to appoint a trustee to administer any Plan, (e) the adoption of any amendment to a Plan that would require the provision of security pursuant to the Code, ERISA or other applicable law, (f) the receipt by the Parent, a Restricted Subsidiary of the Parent, or an ERISA Affiliate of any notice concerning statutory liability arising from the withdrawal or partial withdrawal of the Parent, a Restricted Subsidiary of the Parent, or an ERISA Affiliate from a Multiemployer Plan or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, (g) the occurrence of any non-exempt "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to which the Parent or any Restricted Subsidiary is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which the Parent or any Restricted Subsidiary could reasonably be expected to have liability, (h) the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of any Plan or the appointment of a trustee to administer any Plan, (i) the filing of any request for or receipt of a minimum funding waiver under Section 412(c) of the Code with respect to any Plan or Multiemployer Plan, (j) a determination that any Plan is in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (k) the receipt by the Parent, a Restricted Subsidiary of the Parent or any ERISA Affiliate of any notice, that a Multiemployer Plan is, or is expected to be, in endangered or critical status under Section 305 of ERISA or, (l) any other extraordinary event or condition with respect to a Plan or Multiemployer Plan which could reasonably be expected to result in a Lien or any acceleration of any statutory requirement to fund all or a substantial portion of the unfunded accrued benefit liabilities of such plan.

"**Event of Default**" shall have the meaning provided in Article 10.

"**Excess Availability**" shall mean the sum of (a) Availability and (b) Unrestricted Cash (not constituting proceeds of Term Priority Collateral) that is held in an investment account with the Administrative Agent.

"**Excluded Subsidiary**" shall mean any Subsidiary of the Parent (other than a Borrower) that is (a) a Foreign Subsidiary that is (i) a direct or indirect Subsidiary of a U.S. Subsidiary and (ii) a CFC, (b) an Unrestricted Subsidiary, (c) a FSHCO, (d) a U.S. Subsidiary of a non-U.S. Subsidiary, (e) not a Wholly-Owned Subsidiary of the Parent or one or more of its Wholly-Owned Restricted Subsidiaries, (f) an Immaterial Subsidiary that is designated as such by the Parent in a certificate of a Responsible Officer of the Parent delivered to the Administrative Agent, (g) established or created pursuant to Section 9.05(k) and meeting the requirements of the proviso thereto; *provided* that such Subsidiary shall only be an Excluded Subsidiary for the period immediately prior to such acquisition, (h) prohibited by applicable Law from guaranteeing the Facilities, or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guarantee in each case, unless, such consent, approval, license or authorization has been received, in each case so long as the Administrative Agent shall have received a certification from the Parent's general counsel or a Responsible Officer of the Parent as to the existence of such prohibition or consent, approval, license or authorization requirement, (i) prohibited from guaranteeing the Obligations by any contractual obligation in existence (x) on the

Closing Date or (y) at the time of the acquisition of such Subsidiary after the Closing Date (to the extent such prohibition was not entered into in contemplation of such acquisition), (j) a Subsidiary with respect to which a guarantee by it of the Obligations would result in a material adverse tax consequence to the Parent or the Restricted Subsidiaries, as reasonably determined by the Parent in a certificate of a Responsible Officer of the Parent delivered to the Administrative Agent, (k) a not-for-profit Subsidiary, (l) any bankruptcy remote or special purpose receivables entity that is designated as such by the Parent in a certificate of a Responsible Officer of the Parent delivered to the Administrative Agent, (m) **[Redacted – Name of Subsidiary]** and (n) any other Subsidiary where the Parent and the Administrative Agent reasonably agree (in writing by the Administrative Agent and confirmed by the Lead Borrowers), that the cost or other consequences (including any adverse tax consequences) of guaranteeing the Obligations shall be excessive in view of the value to be afforded thereby; *provided* that, notwithstanding the above, (x) if a Subsidiary executes the Guaranty as a "Subsidiary Guarantor" then it shall not constitute an "Excluded Subsidiary" (unless released from its obligations under the Guaranty as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof), (y) if a Subsidiary serves as a guarantor under (I) Refinancing Notes, Permitted Junior Debt or any other Indebtedness incurred by any Borrower or any Guarantor, in each case of this clause (I), with a principal amount in excess of the Threshold Amount or (II) the Term Loan Credit Agreement, then it shall not constitute an "Excluded Subsidiary" (unless released from its obligations under the Guaranty as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof) and (z) no U.S. Subsidiary or Canadian Subsidiary of the Parent existing on the Closing Date will be an Excluded Subsidiary and no U.S. Subsidiary or Canadian Subsidiary acquired or formed after the Closing Date will be an Excluded Subsidiary under clause (a), (d), (h) or (j) of this definition.

"**Excluded Taxes**" shall mean, with respect to the Administrative Agent, any Lender, or any other Recipient of any payment to be made by or on account of any obligation of any Credit Party under any Credit Document, (a) Taxes imposed on (or measured by) its net income and franchise (and similar) Taxes imposed on it in lieu of income Taxes, in each case, either pursuant to the laws of the jurisdiction in which such Recipient is organized or in which the principal office or applicable lending office of such Recipient is located (or any political subdivision thereof) or that are Other Connection Taxes, (b) any branch profits Taxes under Section 884(a) of the Code, Section 219 of the ITA or any similar Tax imposed by any jurisdiction described in clause (a) above, (c) in the case of a Lender (other than an assignee pursuant to a request by the Lead Borrowers under Section 12.19), any U.S. federal or Canadian withholding Tax that (i) is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Recipient (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Credit Parties with respect to such withholding tax pursuant to Section 4.01(a) or (ii) is attributable to such Recipient's failure to comply with Section 4.01(b) or Section 4.01(c), (d) any U.S. federal withholding Taxes under FATCA, (e) any Taxes imposed on a payment by or on account of any obligation of a Credit Party under any Credit Document: (A) (i) to a Person with which the Credit Party does not deal at arm's length (for the purposes of the

ITA) at the time of making such payment or (ii) in respect of a debt or other obligation to pay an amount to a Person with whom the payer is not dealing at arm's length (for the purposes of the ITA) at the time of such payment and (B) on which the Tax is imposed by reason of such non-arm's length relationship and (f) any Taxes imposed on a Recipient by reason of such Recipient: (i) being a "specified shareholder" (as defined in subsection 18(5) of the ITA) of any Credit Party, or (ii) not dealing at arm's length (for the purposes of the ITA) with a "specified shareholder" (as defined in subsection 18(5) of the ITA) of any Credit Party.

"**Existing Credit Agreement**" shall mean that certain amended and restated credit agreement dated as of March 10, 2011 among Bauer Hockey Corp., a Canadian corporation as Canadian Borrower, Bauer Hockey, Inc., a Vermont corporation as US Borrower, the other Credit Parties party thereto, GE Canada Finance Holding Company, as Canadian Agent, General Electric Capital Corporation as US agent and the financial institutions party thereto as Lenders (as amended, amended and restated, modified or supplemented from time to time prior to the Closing Date).

"**Existing Indebtedness**" shall have the meaning provided in Section 9.04(f).

"**Existing Letters of Credit**" shall mean those Letters of Credit issued under the Existing Credit Agreements and described on Schedule 1.01(b) hereto.

"**Existing Revolving Loans**" has the meaning assigned to such term in Section 2.19.

"**Extended Revolving Loans**" has the meaning assigned to such term in Section 2.19.

"**Extended Revolving Loan Commitments**" shall mean one or more commitments hereunder to convert Existing Revolving Loans to Extended Revolving Loans of a given Extension Series pursuant to an Extension Amendment.

"**Extending Lender**" has the meaning assigned to such term in Section 2.19.

"**Extension Amendment**" has the meaning provided in Section 2.19.

"**Extension Election**" has the meaning provided in Section 2.19.

"**Extension Request**" has the meaning provided in Section 2.19.

"**Extension Series**" has the meaning provided in Section 2.19.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any such amended or successor version), any intergovernmental agreement entered into in connection with the foregoing or any fiscal

or regulatory legislation or rules adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"**FCPA**" shall have the meaning provided in Section 7.15(d).

"**Federal Funds Rate**" means, for any day, (a) the weighted average of interest rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on the applicable Business Day (or on the preceding Business Day, if the applicable day is not a Business Day), as published by the Federal Reserve Bank of New York on the next Business Day; or (b) if no such rate is published on the next Business Day, the average rate (rounded up, if necessary, to the nearest 1/8 of 1%) charged to the Administrative Agent on the applicable day on such transactions, as determined by the Administrative Agent.

"**Fees**" shall mean all amounts payable pursuant to or referred to in Section 2.05.

"**Flood Insurance Laws**" shall mean, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

"**Foreign Pension Plan**" shall mean any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States or Canada by the Parent or any one or more of its Restricted Subsidiaries primarily for the benefit of employees of the Parent or such Restricted Subsidiaries residing outside the United States or Canada, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"**Foreign Subsidiaries**" shall mean each Subsidiary of the Parent that is not a Domestic Subsidiary.

"**Fronting Exposure**" means a Defaulting Lender's Pro Rata Share of LC Exposure or Swingline Loans, as applicable, except to the extent allocated to other Lenders under Section 2.11.

"**FSHCO**" shall mean any U.S. Subsidiary that has no material assets other than the Equity Interests in one or more CFCs.

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

"**GAAP**" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) which are applicable to the circumstances as of the date of determination.

"**Governmental Authority**" shall mean the government of the United States of America, Canada, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, for the avoidance of doubt, any supra-national bodies such as the European Union or the European Central Bank).

"**Guaranteed Creditors**" shall mean and include (x) each of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders and (y) any entity that provides a Secured Bank Product Obligation so long as such entity was the Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender at the time of entry into such Secured Bank Product Obligation and their subsequent assigns, if any, whether now in existence or hereafter arising.

"**Guaranteed Obligations**" shall mean (i) in the case of the Parent, (x) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of the unpaid principal and interest on each Note issued by, and all Loans made to, the Borrowers under this Agreement, together with all the other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any other Debtor Relief Law, would become due), indebtedness and liabilities (including, without limitation, indemnities, fees and interest (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for herein, whether or not such interest is an allowed or allowable claim in any such proceeding) thereon) of the Borrowers to the Lenders, the Administrative Agent and the Collateral Agent now existing or hereafter incurred under, arising out of or in connection with this Agreement and each other Credit Document (other than the ABL/Term Intercreditor Agreement) to which any of the Borrowers is a party and the due performance and compliance by such Borrowers with all the terms, conditions and agreements contained in this Agreement and in each such other Credit Document (other than the ABL/Term Intercreditor Agreement) and (y) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any other Debtor Relief Law, would become due), liabilities and indebtedness (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for herein, whether or not such interest is an allowed or allowable claim in any such proceeding) of any of the Restricted Subsidiaries owing under any Secured Bank Product Obligation and the due performance and compliance with all terms, conditions and agreements contained

therein, (ii) in the case of a Borrower, (x) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of the unpaid principal and interest on each Note issued by, and all Loans made to each other Borrower under this Agreement, together with all the other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any other Debtor Relief Law, would become due), indebtedness and liabilities (including, without limitation, indemnities, fees and interest (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for herein, whether or not such interest is an allowed or allowable claim in any such proceeding) thereon) of each other Borrower to the Lenders, the Administrative Agent and the Collateral Agent now existing or hereafter incurred under, arising out of or in connection with this Agreement and each other Credit Document (other than the ABL/Term Intercreditor Agreement) to which each other Borrower is a party and the due performance and compliance by each other Borrower with all the terms, conditions and agreements contained in this Agreement and in each such other Credit Document (other than the ABL/Term Intercreditor Agreement) and (y) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any other Debtor Relief Law, would become due), liabilities and indebtedness (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for herein, whether or not such interest is an allowed or allowable claim in any such proceeding) of each other Borrower or any of its Restricted Subsidiaries owing under any Secured Bank Product Obligation and the due performance and compliance with all terms, conditions and agreements contained therein and (iii) the Obligations of the Subsidiary Guarantors under the Guaranty.

"**Guaranteed Party**" shall mean the Parent and each of its Subsidiaries that is a primary obligor in respect of any Guaranteed Obligations.

"**Guarantor**" shall mean and include the Parent, each Borrower and each Subsidiary Guarantor.

"**Guaranty**" shall have the meaning provided in Section 5.10.

"**Hazardous Materials**" shall mean (a) any petroleum or petroleum products or byproducts, hydrocarbons, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; (b) any chemicals, materials, substances or wastes defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material, substance or waste regulated or for which liability may arise under any Environmental Law.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002; *provided*, that the Parent may elect by written notice to the Agents

that its financial statements be prepared and maintained in accordance with GAAP and, in such event, "IFRS" shall mean GAAP as in effect from time to time; provided, further, that the Parent may elect by written notice to the Agents that its financial statements be prepared and maintained in accordance with Canadian GAAP and, in such event, "IFRS" shall mean Canadian GAAP as in effect from time to time; *provided*, *further*, that determinations made pursuant to this Agreement in accordance with IFRS are subject, to the extent provided therein, to Section 12.06(a).

"**Immaterial Subsidiary**" shall mean any Subsidiary of the Parent that, as of the date of the most recent financial statements required to be delivered pursuant to Section 8.01(a) or (b), does not have, individually or in the aggregate when taken together with all other such Immaterial Subsidiaries, (a) assets in excess of 5% of Consolidated Total Assets or (b) revenues for the period of four consecutive fiscal quarters ending on such date in excess of 5% of the combined revenues of the Parent and the Restricted Subsidiaries for such period.

"**Incremental Revolving Commitment Agreement**" shall have the meaning provided in Section 2.15(d).

"**Incremental Term Loan**" shall mean any additional loans made by lenders pursuant to Section 2.16(b) of the Term Loan Credit Agreement.

"**Indebtedness**" shall mean, as to any Person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such Person (A) for borrowed money or (B) for the deferred purchase price of property or services, (ii) the maximum amount available to be drawn under all letters of credit, bankers' acceptances and similar obligations issued for the account of such Person and all unpaid drawings in respect of such letters of credit, bankers' acceptances and similar obligations, (iii) all Indebtedness of the types described in clause (i), (ii), (iv), (v), (vi), (vii) or (viii) of this definition secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person (*provided* that , if the Person has not assumed or otherwise become liable in respect of such Indebtedness, such Indebtedness shall be deemed to be in an amount equal to the lesser of (x) the aggregate unpaid amount of Indebtedness secured by such Lien and (y) the fair market value of the property to which such Lien relates as determined in good faith by such Person), (iv) the aggregate amount of all Capitalized Lease Obligations of such Person, (v) all Contingent Obligations of such Person, (vi) all net obligations under any Swap Contracts and any Bank Product Debt or under any similar type of agreement, (vii) all Off-Balance Sheet Liabilities of such Person and (viii) all obligations in respect of Disqualified Stock. Notwithstanding the foregoing, Indebtedness shall not include (a) trade payables and accrued expenses incurred by any Person in accordance with customary practices and in the ordinary course of business of such Person or (b) earn-outs and other contingent payments in respect of acquisitions except to the extent that the liability on account of any such earn-outs or contingent payment becomes fixed and is required by IFRS to be reflected as a liability on the consolidated balance sheet of the Parent and its Restricted Subsidiaries.

"**Indemnified Person**" shall have the meaning provided in Section 12.01.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Credit Parties under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Ineligible Transferee**" shall mean (i) certain Persons identified as "Disqualified Lenders" in writing to the Administrative Agent by the Parent on or prior to the date of this Agreement and (ii) operating companies which are bona fide competitors of the Parent and such competitors' subsidiaries and controlling equity holders (other than Bona Fide Debt Funds) as may be identified by name in writing to the Administrative Agent prior to the date of this Agreement or following the Syndication Date (but only with the consent of the Administrative Agent, not to be unreasonably withheld), by delivery of notice to the Administrative Agent setting forth such person or persons.

"**Insolvent**" shall mean (i) the fair value of such Person's assets is less than the amount that will be required to pay the total liability on such Person's existing debts as they become absolute and matured, (ii) the present fair salable value of such Person's assets is less than the amount that will be required to pay the probable liability on such Person's existing debts as they become absolute and matured, (iii) such Person is unable to meet its obligations as they generally become due, (iv) such Person ceases to pay its current obligations in the ordinary course of business as they generally become due, or (v) such Person's aggregate property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be, sufficient to enable payment of all obligations, due and accruing due. The term "debts" as used in this definition includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent (to the extent any such contingent liabilities are reasonably anticipated to become due and matured), and the term "values of assets" shall mean the amount of which the assets (both tangible and intangible) in their entirety would change hands between a willing buyer and a willing seller, with a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under compulsion to act.

"**Instrument**" shall have the meaning provided in Article 9 of the UCC.

"**Intellectual Property**" shall have the meaning provided in Section 7.19.

"**Interest Determination Date**" shall mean, with respect to any LIBO Rate Term Loan, the second Business Day prior to the commencement of any Interest Period relating to such LIBO Rate Term Loan.

"**Interest Expense**" shall mean the aggregate consolidated interest expense (net of interest income) of the Parent and its Restricted Subsidiaries in respect of Indebtedness determined on a consolidated basis in accordance with IFRS, including amortization or original issue discount on any Indebtedness and amortization of all fees payable in connection with the incurrence of such Indebtedness, including, without limitation, the interest portion of any deferred payment obligation and the interest component of any

Capitalized Lease Obligations, and, to the extent not included in such interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities.

"**Interest Period**" shall mean as to any Borrowing of a LIBO Rate Loan or CDOR Loan, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as applicable, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is one, two, three or six months (or twelve months if agreed by all Lenders) thereafter, as the applicable Lead Borrower may elect, or the date any Borrowing of a LIBO Rate Loan or CDOR Loan is converted to a Borrowing of a U.S. Base Rate Loan or Canadian Prime Rate Loan (as applicable) in accordance with Section 2.08 or repaid or prepaid in accordance with Section 2.07 or Section 2.09; *provided*, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"**Interim Borrowing Base Certificate**" shall mean an interim borrowing base certificate in the form previously agreed to between the Administrative Agent and the Lead Borrowers or otherwise reasonably satisfactory to the Administrative Agent.

"**Interim Period**" shall have the meaning provided in Section 9.11(b).

"**Inventory**" shall mean all "inventory," as such term is defined in the UCC as in effect on the date hereof in the State of New York (or, with respect to a Canadian Borrower, the PPSA), wherever located, in which any Person now or hereafter has rights, including, for the avoidance of doubt, Parts and Work-in-Process.

"**Investments**" shall have the meaning provided in Section 9.05.

"**Issuing Bank**" shall mean, as the context may require, (a) Bank of America or any Affiliate thereof, with respect to Letters of Credit issued by it under this Credit Agreement; (b) any other Lender that may become an Issuing Bank pursuant to Section 2.13(i) and 2.13(k), with respect to Letters of Credit issued by such Lender under this Credit Agreement; (c) with respect to the Existing Letters of Credit, the Lender that issued each such Letter of Credit or (d) collectively, all of the foregoing.

"**ITA**" shall mean the Income Tax Act (Canada), as amended from time to time.

"**Joint Lead Arrangers**" shall have the meaning provided in the first paragraph to this Agreement.

"**Junior Representative**" shall mean, with respect to any series of Permitted Junior

Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Permitted Junior Debt is issued, incurred or otherwise obtained and each of their successors in such capacities.

"**Joint Venture**" shall mean any Person other than an individual or a Subsidiary of the Parent (i) in which the Parent or any of its Restricted Subsidiaries holds or acquires an ownership interest (by way of ownership of Equity Interests or other evidence of ownership) and (ii) which is engaged in a business permitted by Section 9.09.

"**Landlord Lien Reserve**" shall mean an amount equal to three months' rent for all of the leased locations of the Borrowers at which Eligible Inventory is stored, other than leased locations with respect to which the Administrative Agent has received a fully executed Landlord Lien Waiver and Access Agreement.

"**Landlord Lien Waiver and Access Agreement** " shall mean a Landlord Lien Waiver and Access Agreement, in a form reasonably approved by the Administrative Agent.

"**Latest Maturity Date**" shall have the meaning provided in the Term Loan Credit Agreement.

"**Laws**" shall mean, collectively, all international, foreign, federal, state, provincial, territorial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"**LC Collateral Accounts**" shall mean collateral accounts (maintained in Canadian Dollars or U.S. Dollars, as the case may be) in the form of a deposit account established and maintained by the Administrative Agent for the benefit of the Secured Creditors, in accordance with the provisions of Section 2.13.

"**LC Commitment**" shall mean the commitment of the Issuing Bank to issue Letters of Credit pursuant to Section 2.13.

"**LC Credit Extension**" shall mean, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"**LC Disbursement**" shall mean a payment or disbursement made by the Issuing Bank pursuant to a Letter of Credit.

"**LC Documents**" shall mean all documents, instruments and agreements delivered by the applicable Lead Borrower or any other Person to the Issuing Bank or the Administrative Agent in connection with any Letter of Credit.

"**LC Exposure**" shall mean at any time the Dollar Equivalent of the sum of (a) the

aggregate undrawn amount of all outstanding Letters of Credit at such time *plus* (b) the aggregate principal amount of all LC Disbursements that have not yet been reimbursed at such time. The LC Exposure of any Revolving Lender at any time shall mean its Pro Rata Percentage of the aggregate LC Exposure at such time.

"**LC Obligations**" shall mean the sum (without duplication) of (a) all amounts owing by the Borrowers for any drawings under Letters of Credit (including any bankers' acceptances or other payment obligations arising therefrom); and (b) the outstanding stated amount of all outstanding Letters of Credit.

"**LC Participation Fee**" shall have the meaning assigned to such term in Section 2.05(c)(i).

"**LC Request**" shall mean a request by the applicable Lead Borrower in accordance with the terms of Section 2.13(b) in form and substance satisfactory to the Issuing Bank.

"**Lead Borrowers**" shall have the meaning provided in the preamble hereto. Actions to be taken by a Lead Borrower shall be taken by the Lead Canadian Borrower with respect to any Canadian Borrower or the Lead U.S. Borrower with respect to any U.S. Borrower.

"**Lead Canadian Borrower**" shall have the meaning provided in the preamble hereto.

"**Lead U.S. Borrower**" shall have the meaning provided in the preamble hereto.

"**Lending Office**" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Lead Borrowers and the Administrative Agent which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"**Letter of Credit**" shall mean any documentary or standby letters of credit issued or to be issued, or any foreign guarantee, or documentary bankers acceptance, by an Issuing Bank for the account of the Parent or any of its Subsidiaries pursuant to Section 2.13, including each Existing Letter of Credit.

"**Lender**" shall mean each financial institution listed on Schedule 1.01(c), as well as any Person that becomes a "Lender" hereunder pursuant to Section 2.15, Section 12.04(b) or Section 12.19, and, as the context requires, includes the Swingline Lender and any Issuing Bank.

"**Letter of Credit Expiration Date** " shall mean the date that is five (5) Business Days prior to the Maturity Date.

"**LIBO Rate**" shall mean, (i) for any Interest Period, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate

is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, on the applicable Interest Determination Date, for U.S. Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; *provided*, that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice and, with respect to the Borrowers, other similarly situated borrowers; *provided*, *further* that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and with determinations for other similarly situated borrowers; and (ii) for any interest rate calculation with respect to a U.S. Base Rate Loan on any date, the rate per annum equal to the LIBO Rate, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for U.S. Dollar deposits being delivered in the London interbank market with a term of one (1) month commencing that day.

"**Lien**" shall mean any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, encumbrance, hypothec, deemed or statutory trust, security conveyance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, and any lease having substantially the same effect as any of the foregoing).

"**Line Cap**" shall mean, at any time, an amount that is equal to the lesser of (a) the Aggregate Commitments at such time and (b) the then applicable Borrowing Base.

"**Liquidity Event**" shall mean that Excess Availability shall have been less than the greater of (i) 10% of the Line Cap and (ii) $15,000,000, in either case for five (5) consecutive Business Days, and in each case shall be deemed to exist until such date as Excess Availability shall have been at least equal to the greater of (i) 10% of the Line Cap and (ii) $15,000,000 for 30 consecutive calendar days.

"**Liquidity Notice**" shall mean a written notice delivered by the Administrative Agent at any time during a Liquidity Period to any bank or other depository at which any Collection Acount or Concentration Account is maintained directing such bank or other depository (a) to remit all funds in such Collection Account or Concentration Account to a Dominion Account or to the Administrative Agent on a daily basis, and (b) to cease following directions or instructions given to such bank or other depository by any Credit Party regarding the disbursement of funds from such Collection Account or Concentration Account and (c) to follow all directions and instructions given to such bank or other depository by the Administrative Agent in each case, pursuant to the terms of any Deposit Account Control

Agreement in place.

"**Liquidity Period**" shall mean any period throughout which (a) a Liquidity Event has occurred and is continuing or (b) any Event of Default has occurred and is continuing.

"**Loans**" shall mean advances made to or at the instructions of a Borrower pursuant to Article 2 hereof and may constitute Revolving Loans, Swingline Loans or Overadvance Loans.

"**Location**" of any Person shall mean such Person's "location" as determined pursuant to Section 9-307 of the Uniform Commercial Code of the State of New York or the PPSA, as applicable.

[Redacted – Definition Regarding Intercompany Arrangements].

[Redacted – Definition Regarding Intercompany Arrangements].

"**Margin Stock**" shall have the meaning provided in Regulation U.

"**Material Adverse Effect**" shall mean (a) on or prior to the Closing Date, a Company Material Adverse Effect and (b) after the Closing Date (i) a material adverse effect on the assets, business, operations, liabilities or financial condition of the Parent and its Restricted Subsidiaries taken as a whole or (ii) a material adverse effect (x) on the material rights or remedies of the Lenders or the Administrative Agent hereunder or under any other Credit Document or (y) on the ability of the Credit Parties, taken as a whole, to perform their payment obligations to the Lenders or the Administrative Agent hereunder or under any other Credit Document.

"**Material Real Property**" shall mean each parcel of Real Property that is now or hereafter owned in fee by any Credit Party that (together with any other parcels constituting a single site or operating property) has a fair market value (as determined by the Parent in good faith) of at least $5,000,000.

"**Maturity Date**" shall mean the date that is five years after the Closing Date.

"**Moody's**" shall mean Moody's Investors Service, Inc.

"**Mortgage**" shall mean a mortgage, debenture, leasehold mortgage, deed of trust, deed of immovable hypothec, leasehold deed of trust, deed to secure debt, leasehold deed to secure debt or similar security instrument in form and substance reasonably satisfactory to the Administrative Agent, in favor of the Collateral Agent for the benefit of the Secured Creditors.

"**Mortgage Collateral Requirement"** shall have the meaning provided in Section 8.12(a).

"**Mortgaged Property**" shall mean any Material Real Property of the Parent or any of its Restricted Subsidiaries that will be encumbered (or required to be encumbered) by a Mortgage.

"**Multiemployer Plan**" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA under which the Parent or a Restricted Subsidiary of the Parent has any obligation or liability, including on account of an ERISA Affiliate.

"**NAIC**" shall mean the National Association of Insurance Commissioners.

"**Net Recovery Cost Percentage**" shall mean the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the blended recovery on the aggregate amount of the Eligible Inventory at such time on a "net orderly liquidation value" basis as set forth in the most recent inventory appraisal received by the Administrative Agent in accordance with Section 8.02(b), net of operating expenses, liquidation expenses and commissions reasonably anticipated in the disposition of such assets, and (b) the denominator of which is the original Cost of the aggregate amount of the Eligible Inventory subject to appraisal.

"**Non-Consenting Lender**" shall have the meaning provided in Section 12.10(b).

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender.

"**Note**" shall mean each Revolving Note or Swingline Note, as applicable.

"**Notice of Borrowing**" shall mean a notice substantially in the form of Exhibit A-1 hereto.

"**Notice of Conversion/Continuation**" shall mean a notice substantially in the form of Exhibit A-2 hereto.

"**Notice Office**" means the address for notices set forth on Schedule 1.01(d).

"**Noticed Hedge**" shall mean any Secured Bank Product Obligations arising under a Swap Contract with respect to which the Parent and the Secured Bank Product Provider thereof have notified the Administrative Agent of the intent to include such Secured Bank Product Obligations as a Noticed Hedge hereunder and with respect to which a Bank Products Reserve has subsequently been established in the maximum amount thereof.

"**Obligations**" shall mean (x) all now existing or hereafter arising debts, obligations, covenants, and duties of payment or performance of every kind, matured or unmatured, direct or contingent, owing, arising, due, or payable to any Lender, Agent or Indemnified Person by any Credit Party arising out of this Agreement or any other Credit Document (other than the ABL/Term Intercreditor Agreement), including, without limitation, all

obligations to repay principal or interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, to pay any amount owing with respect to any Letters of Credit pursuant to the terms of this Agreement, and to pay interest, fees, costs, charges, expenses, professional fees, and all sums chargeable to the Borrowers or for which any Borrower is liable as indemnitor under the Credit Documents, whether or not evidenced by any note or other instrument and (y) all Secured Bank Product Obligations. Notwithstanding anything to the contrary contained above, (x) obligations of any Credit Party under any Secured Bank Product Obligations shall be secured and guaranteed pursuant to the Credit Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (y) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Secured Bank Product Obligations.

"**OFAC**" shall have the meaning provided in Section 7.15(b).

"**Off-Balance Sheet Liabilities**" of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any Sale-Leaseback Transactions that do not create a liability on the balance sheet of such Person, (iii) any obligation under a Synthetic Lease or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

"**Officers' Certificate**" shall mean a certificate of a Responsible Officer of the Parent substantially in the form of Exhibit E hereto, and in any case, in form and substance reasonably satisfactory to the Administrative Agent.

"**Other Connection Taxes**" shall mean, with respect to any Recipient, Taxes that are imposed as a result of any present or former connection between such Recipient and the jurisdiction imposing such Tax (other than a connection arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"**Other Taxes**" shall mean any and all present or future stamp, court or documentary, intangible, recording, filing or property Taxes or similar Taxes arising from any payment made under, from the execution, delivery, registration, performance or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 12.19).

"**Outstanding Amount**" shall mean with respect to Loans on any date, the Dollar Equivalent of the aggregate outstanding principal amount thereof after giving effect to any

borrowings and prepayments or repayments of Loans occurring on such date.

"**Overadvance**" shall have the meaning of such term assigned to such term in Section 2.17.

"**Overadvance Loan**" shall mean a U.S. Base Rate Loan or Canadian Prime Rate Loan made when an Overadvance exists or is caused by the funding thereof.

"**Parent**" shall have the meaning of such term in the first paragraph of this Agreement.

"**Participant**" shall have the meaning provided in Section 12.04(d).

"**Participant Register**" shall have the meaning provided in Section 12.04(d).

"**Parts**" shall mean work-in-process consisting of parts that would otherwise constitute Eligible Inventory other than on account of being parts, and that Administrative Agent determines in its reasonable judgment are readily saleable in their current state of manufacturing, and only to the extent similarly situated parts were included in the initial asset appraisal provided to the Administrative Agent in connection herewith.

"**Patriot Act**" shall have the meaning provided in Section 12.14.

"**Payment Conditions**" shall mean as to any relevant action contemplated in this Agreement, (i) no Event of Default has then occurred and is continuing or would result from such action, (ii) (a) Availability on a Pro Forma Basis immediately after giving effect to such action would be at least the greater of (x) 15% of the Line Cap and (y) $22.0 million and (b) over the 30 consecutive days immediately prior to consummation of such action, Availability averaged no less than the greater of (x) 15% of the Line Cap and (y) $22.0 million, also on a Pro Forma Basis for such action and (iii) unless (a) Availability on a Pro Forma Basis immediately after giving effect to such action would be at least 20% of the Revolving Commitments and (b) over the 30 consecutive days immediately prior to consummation of such action, Availability averaged no less than 22.5% of the Revolving Commitments, the Consolidated Fixed Charge Coverage Ratio would be at least 1.0 to 1.0 on a Pro Forma Basis for the most recent fiscal quarter for which Section 8.01 Financials shall have been delivered.

"**Payment Office**" shall mean the office of the Administrative Agent specified on Schedule 1.01(d) or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"**Permitted Acquisition**" shall mean the acquisition by the Parent or any of its Restricted Subsidiaries of an Acquired Entity or Business; *provided* that (in each case) all applicable requirements of Section 8.13 are satisfied.

"**Permitted Discretion**" shall mean reasonable credit judgment in accordance with customary business practices for comparable asset-based lending transactions, and as it relates to the establishment or increase of Reserves or modification of any eligibility criteria shall require that (x) such establishment, increase, adjustment or imposition after the Closing Date be based on the analysis of facts or events first occurring or first discovered by the Administrative Agent after the Closing Date or are materially different from the facts or events occurring or known to the Administrative Agent on the Closing Date, unless the Lead Borrowers and the Administrative Agent otherwise agree in writing, (y) the contributing factors to the imposition of any Reserves shall not duplicate (i) the exclusionary criteria set forth in the definitions of Eligible Accounts or Eligible Inventory as applicable (and vice versa) or (ii) any Reserves deducted in computing book value and (z) the amount of any such Reserve so established or the effect of any adjustment or imposition of exclusionary criteria shall be a reasonable quantification of the incremental dilution of the Borrowing Base attributable to such contributing factors.

"**Permitted Encumbrance**" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the mortgage title insurance policy delivered with respect thereto, all of which exceptions must be acceptable to the Administrative Agent in its reasonable discretion.

"**Permitted Junior Credit Documents**" shall mean, after the execution and delivery thereof, each agreement, document or instrument relating to the incurrence of Permitted Junior Loans, in each case as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"**Permitted Junior Debt**" shall mean and include (i) any Permitted Junior Notes and (ii) any Permitted Junior Loans and, for the avoidance of doubt, shall exclude **[Redacted – Intercompany Obligations]** .

"**Permitted Junior Debt Documents**" shall mean and include the Permitted Junior Notes Documents and the Permitted Junior Credit Documents.

"**Permitted Junior Loans**" shall mean any Indebtedness of the Parent or any Restricted Subsidiary in the form of unsecured or secured loans; *provided* that in any event, unless the Required Lenders otherwise expressly consent in writing prior to the issuance thereof, (i) except as provided in clause (v) below, no such Indebtedness shall be secured by any asset of the Parent or any of its Subsidiaries, except that such Indebtedness if incurred by a non-Credit Party may be secured by the assets of such non-Credit Party and other non-Credit Parties, (ii) no such Indebtedness shall be guaranteed by any Person other than the Parent, a Borrower or a Subsidiary Guarantor, except that such Indebtedness if incurred by a non-Credit Party may be guaranteed by other non-Credit Parties (and not by a Credit Party except as otherwise permitted under Section 9.05(f), (iii) no such Indebtedness shall be subject to scheduled amortization or have a final maturity, in either case prior to the date occurring ninety-one (91) days following the then Latest Maturity Date, (iv) any "**asset sale**" mandatory prepayment provision or offer to prepay covenant included in the agreement

governing such Indebtedness, to the extent incurred by any Credit Party, shall provide that the Parent or the respective Subsidiary shall be permitted to repay obligations, and terminate commitments, under this Agreement before prepaying or offering to prepay such Indebtedness, (v) in the case of any such Indebtedness incurred by a Credit Party that is secured (A) such Indebtedness is secured by only assets comprising Collateral (as defined in the Security Documents) on a junior-lien basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of the Parent or any of its Subsidiaries other than the Collateral (as defined in the Security Documents), (B) such Indebtedness (and the Liens securing the same) are permitted by the terms of the Additional Intercreditor Agreement (to the extent the Additional Intercreditor Agreement is then in effect), (C) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent) and (D) a Junior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Additional Intercreditor Agreement; *provided* that if such Indebtedness is the initial incurrence of Permitted Junior Debt that is secured by assets of the Parent or any other Credit Party, then the Parent, the Borrowers and the Subsidiary Guarantors, the Administrative Agent, the Collateral Agent and the Junior Representative for such Indebtedness shall have executed and delivered the Additional Intercreditor Agreement and (vi) the covenants and events of default, taken as a whole, shall be no more onerous in any material respect than the related provisions contained in this Agreement; *provided* that (x) any such terms may be more onerous to the extent they take effect after the Latest Maturity Date and (y) in the event that any agreement evidencing such Indebtedness contains financial maintenance covenants, this Agreement shall be amended in a manner reasonably acceptable to the Administrative Agent to add any such financial covenants as are not then contained in this Agreement, and the financial covenants in such other Indebtedness shall be set back from any financial covenants in this Agreement by at least 10% or such lesser cushion as may be acceptable to the Administrative Agent (*provided* that a certificate of a Responsible Officer of the Parent delivered to the Administrative Agent in good faith at least five (5) Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Parent has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (vi), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to the Parent of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)). The incurrence of Permitted Junior Loans shall be deemed to be a representation and warranty by the Parent that all conditions thereto have been satisfied in all material respects and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Articles 6 and 10.

"**Permitted Junior Notes**" shall mean any Indebtedness of the Parent or any Restricted Subsidiary evidenced by senior or subordinated notes and incurred pursuant to

one or more issuances of such senior or subordinated notes; *provided* that in any event, unless the Required Lenders otherwise expressly consent in writing prior to the issuance thereof, (i) except as provided in clause (viii) below, no such Indebtedness shall be secured by any asset of the Parent or any of its Subsidiaries, except that such Indebtedness if incurred by a non-Credit Party may be secured by the assets of such non-Credit Party and other non-Credit Parties, (ii) no such Indebtedness shall be guaranteed by any Person other than the Borrower or any Subsidiary Guarantor except that such Indebtedness if incurred by a non-Credit Party may be guaranteed by other non-Credit Parties (and not by a Credit Party except as otherwise permitted under Section 9.05(f), (iii) no such Indebtedness shall be subject to scheduled amortization or have a final maturity, in either case prior to the date occurring ninety-one (91) days following the then Latest Maturity Date, (iv) any "asset sale" offer to purchase covenant included in the indenture governing such Indebtedness, to the extent incurred by any Credit Party, shall provide that the Parent or the respective Subsidiary shall be permitted to repay obligations, and terminate commitments, under this Agreement before offering to purchase such Indebtedness, (v) (A) the covenants and events of default, taken as a whole, shall be customary for the type of Indebtedness issued and in no event more onerous in any material respect than the related provisions of this Agreement, (B) the indenture governing such Indebtedness shall not include any financial maintenance covenants and (C) the "default to other indebtedness" event of default contained in the indenture governing such Indebtedness shall provide for a "cross-acceleration" rather than a "cross-default" and (vi) in the case of any such Indebtedness incurred by a Credit Party that is secured (a) such Indebtedness is secured by only assets comprising Collateral (as defined in the Security Documents) on a junior-lien basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of the Parent or any of its Subsidiaries other than the Collateral (as defined in the Security Documents), (b) such Indebtedness (and the Liens securing the same) are permitted by the terms of the Additional Intercreditor Agreement (to the extent the Additional Intercreditor Agreement is then in effect), (c) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent) and (d) a Junior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Additional Intercreditor Agreement; *provided* that if such Indebtedness is the initial incurrence of Permitted Junior Debt that is secured by assets of the Parent or any other Credit Party, then the Parent, the Borrowers and the Subsidiary Guarantors, the Administrative Agent, the Collateral Agent and the Junior Representative for such Indebtedness shall have executed and delivered the Additional Intercreditor Agreement. The issuance of Permitted Junior Notes shall be deemed to be a representation and warranty by the Parent that all conditions thereto have been satisfied in all material respects and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Articles 6 and 10.

"**Permitted Junior Notes Documents**" shall mean, after the execution and delivery thereof, each Permitted Junior Notes Indenture, and the Permitted Junior Notes, in each case

as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"**Permitted Junior Notes Indenture**" shall mean any indenture or similar agreement entered into in connection with the issuance of Permitted Junior Notes, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"**Permitted Liens**" shall have the meaning provided in Section 9.01.

"**Permitted Refinancing**" means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; *provided* that (i) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to any unpaid accrued interest, premium or other reasonable amount paid, mortgage recording taxes, title insurance premiums and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension; (ii) except in the case of Indebtedness permitted pursuant to Section 9.04(c), such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or longer than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended; (iii) if the Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Obligations on terms at least as favorable, taken as a whole, to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended; (iv) at the time thereof, no Default or Event of Default shall have occurred and be continuing; (v) if such Indebtedness being modified, refinanced, refunded, renewed or extended is secured, (A) except in the case of Indebtedness permitted pursuant to Section 9.04(c), the terms and conditions relating to collateral of any such modified, refinanced, refunded, renewed or extended Indebtedness, taken as a whole, are not materially less favorable to the Credit Parties or the Lenders than the terms and conditions with respect to the collateral for the Indebtedness being modified, refinanced, refunded, renewed or extended, taken as a whole and the Liens on any Collateral securing any such modified, refinanced, refunded, renewed or extended Indebtedness shall have the same (or lesser) priority as the Indebtedness being modified, refinanced, refunded, renewed or extended relative to the Liens on the Collateral securing the Obligations and (B) a Senior Representative (as defined in the Term Loan Credit Agreement) or Junior Representative thereof, as applicable, on behalf of the holders of such Indebtedness, shall have entered into with the Administrative Agent and/or the Collateral Agent an applicable Customary Intercreditor Agreement; (vi) except in the case of Indebtedness permitted pursuant to Section 9.04(c), the terms and conditions (excluding any subordination, pricing, fees, rate floors, discounts, premiums and optional prepayment or redemption terms) of any such modified, refinanced, refunded, renewed or extended Indebtedness, taken as a whole, shall not be materially less favorable to the Credit Parties

than the Indebtedness being modified, refinanced, refunded, renewed or extended, except for covenants or other provisions applicable only to periods after the Latest Maturity Date; and (vii) such modification, refinancing, refunding, renewal or extension is incurred by the Person who is the obligor on the Indebtedness being modified, refinanced, refunded, renewed or extended and/or one or more Credit Parties.

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"**Plan**" shall mean any pension plan as defined in Section 3(2) of ERISA other than a Foreign Pension Plan, a Canadian Employee Plan, a Canadian Statutory Plan or a Multiemployer Plan, which is maintained or contributed to by (or to which there is an obligation to contribute of) the Parent or a Restricted Subsidiary of the Parent or with respect to which the Parent, a Restricted Subsidiary of the Parent has, or may have, any liability.

"**Platform**" shall have the meaning provided in Section 8.01.

"**Pledge Agreements**" shall have the meaning provided in Section 5.08.

"**Pledge Agreement Collateral**" shall mean all of the "Collateral" as defined in the Pledge Agreements and all other Equity Interests or other property similar to that pledged (or purported to have been pledged) pursuant to the Pledge Agreements and which is pledged (or purported to be pledged) pursuant to one or more Additional Security Documents.

"**Pledgee**" shall have the meaning provided in the applicable Pledge Agreement.

"**PPSA**" means the Personal Property Security Act (Ontario); *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any security interest or hypothec in any Collateral is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction or the Civil Code of Quebec, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Pro Forma Basis**" shall mean, in connection with any calculation of compliance with any financial term, the calculation thereof after giving effect on a *pro forma* basis to (w) the incurrence of any Indebtedness (other than revolving Indebtedness, except to the extent same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition) after the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) as if such Indebtedness had been incurred (and the proceeds thereof applied) on the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), (x) the permanent repayment of any Indebtedness (other than revolving

Indebtedness except to the extent accompanied by a corresponding permanent commitment reduction) after the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) as if such Indebtedness had been retired or redeemed on the first day of the relevant Test Period (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered), (y) any disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of any Subsidiary of the Parent or of the Equity Interests of any Subsidiary of the Parent and/or (z) the Acquisition or the Permitted Acquisition, if any, then being consummated as well as any other Permitted Acquisition consummated after the first day of the Test Period most recently ended prior to the date of any such Permitted Acquisition (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) and on or prior to the date of the Acquisition or the Permitted Acquisition then being effected, as the case may be, with the following rules to apply in connection therewith:

(i) all Indebtedness (x) (other than revolving Indebtedness, except to the extent same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition) incurred or issued after the first day of the relevant Test Period (whether incurred to finance the Acquisition or a Permitted Acquisition, to refinance Indebtedness or otherwise) shall be deemed to have been incurred or issued (and the proceeds thereof applied) on the first day of the respective Test Period and remain outstanding through the date of determination and (y) (other than revolving Indebtedness except to the extent accompanied by a corresponding permanent commitment reduction) permanently retired or redeemed after the first day of the relevant Test Period shall be deemed to have been retired or redeemed on the first day of the respective Test Period and remain retired through the date of determination;

(ii) all Indebtedness assumed to be outstanding pursuant to preceding clause (i) shall be deemed to have borne interest at (x) the rate applicable thereto, in the case of fixed rate indebtedness, or (y) at the rate which would have been applicable thereto on the last day of the respective Test Period, in the case of floating rate Indebtedness (although Interest Expense with respect to any Indebtedness for periods while same was actually outstanding during the respective period shall be calculated using the actual rates applicable thereto while same was actually outstanding);

(iii) in making any determination of Consolidated EBITDA, *pro forma* effect shall be given to any disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of the Parent or any Restricted Subsidiary of the Parent or of the Equity Interests of any Subsidiary of the Parent consummated during the periods described above, with such Consolidated EBITDA to be determined as if such disposition (or the relevant portion thereof) was consummated on the first day of the relevant Test Period. *Pro forma* calculations

for any fiscal period ending on or prior to the first anniversary of a disposition of assets constituting a business, division, product line, manufacturing facility or distribution facility of the Parent or any Restricted Subsidiary of the Parent or of the Equity Interests of any Subsidiary of the Parent may offset operating expense reductions or other operating improvements or synergies reasonably expected to result from a disposition (less the amount of costs reasonably expected to be incurred by the Parent and its Restricted Subsidiaries to achieve such cost savings) against reductions in Consolidated EBITDA attributable to such a disposition, to the extent that the Parent delivers to the Administrative Agent, (i) a certificate of the Chief Financial Officer of the Parent setting forth such operating expense reductions and the costs to achieve such reductions and (ii) information and calculations supporting in reasonable detail such estimated operating expense reductions and the costs to achieve such reductions; *provided* that any increase in Consolidated EBITDA as a result of cost savings, operating expense reductions, other operating improvements and synergies shall be subject to the limitations set forth in the definition of Consolidated EBITDA;

(iv) in making any determination of Consolidated EBITDA, *pro forma* effect shall be given to any Permitted Acquisition consummated during the periods described above (excluding that portion of the assets or business acquired pursuant to any Permitted Acquisition which has been sold or disposed of thereafter and prior to the date of the respective determination), with such Consolidated EBITDA to be determined as if such Permitted Acquisition (or the relevant portion thereof) was consummated on the first day of the relevant Test Period. *Pro forma* calculations for any fiscal period ending on or prior to the first anniversary of a Permitted Acquisition may include adjustments to reflect operating expense reductions or other operating improvements or synergies reasonably expected to result from such Permitted Acquisition, less the amount of costs reasonably expected to be incurred by the Parent and its Restricted Subsidiaries to achieve such cost savings, to the extent that the Parent delivers to the Administrative Agent, (i) a certificate of the Chief Financial Officer of the Parent setting forth such operating expense reductions and the costs to achieve such reductions and (ii) information and calculations supporting in reasonable detail such estimated operating expense reductions and the costs to achieve such reductions; *provided* that any increase in Consolidated EBITDA as a result of cost savings, operating expense reductions, other operating improvements and synergies shall be subject to the limitations set forth in the definition of Consolidated EBITDA; and

(v) in making any determination of the Consolidated Fixed Charge Coverage Ratio, in the event that the Parent or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than in the case of revolving credit borrowings, in which case interest expense will be computed based upon the average daily balance of such Indebtedness during the Test Period), and solely for purposes of Section 9.11, in a principal amount in excess of $2,500,000, in each case, subsequent to the

commencement of the period for which the Consolidated Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Consolidated Fixed Charge Coverage Ratio will be calculated on a Pro Forma Basis as if such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, had occurred at the beginning of the Test Period.

For purposes of this definition, if any Indebtedness bears a floating rate of interest and is being calculated on a Pro Forma Basis, the interest on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any hedging obligations applicable to such Indebtedness if such hedging obligations have a remaining term in excess of 12 months as of the Calculation Date). For purposes of this definition, interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of the Parent to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis will be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, will be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Parent may designate.

"**Projections**" shall mean the detailed projected consolidated financial statements of the Parent and its Subsidiaries (after giving effect to the Transaction) delivered to the Administrative Agent on or prior to the Closing Date.

"**Pro Rata Percentage**" of any Revolving Lender at any time shall mean the percentage of the total Revolving Commitment represented by such Lender's Revolving Commitment.

"**Pro Rata Share**" shall mean, with respect to each Lender at any time, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Revolving Exposure of such Lender at such time and the denominator of which is the aggregate amount of the Aggregate Exposures at such time. The initial Pro Rata Shares of each Lender are set forth opposite the name of such Lender on Schedule 1.01(c) or in the Assignment and Assumption Agreement pursuant to which such Lender becomes a party hereto, as applicable.

"**Public Lender**" shall have the meaning provided in Section 8.01.

"**Qualified Preferred Stock**" shall mean any preferred capital stock of the Parent so long as the terms of any such preferred capital stock (x) do not contain any mandatory put, redemption, repayment, sinking fund or other similar provision prior to June 30, 2021, or, if later, the 91st day after the then Latest Maturity Date then in effect other than (i) provisions requiring payment solely in the form of common Equity Interests of the Parent or Qualified Preferred Stock, (ii) provisions requiring payment solely as a result of a change of control or asset sale, so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale are subject to the payment in full of all Obligations in cash (other than unasserted contingent indemnification obligations) unless such payment is otherwise permitted by this Agreement (including as a result of a waiver or amendment hereunder)) and (iii) with respect to preferred capital stock issued to any plan for the benefit of employees of the Parent or its Subsidiaries or by any such plan to such employees, provisions requiring the repurchase thereof in order to satisfy applicable statutory or regulatory obligations and (y) do not require the cash payment of dividends or distributions at any time that such cash payment is not permitted under this Agreement or would result in a Default or Event of Default hereunder.

"**Real Property**" of any Person shall mean, collectively, the right, title and interest of such Person (including any leasehold, mineral or other estate) in and to any and all land, improvements and fixtures owned, leased or operated by such Person, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"**Recipient**" means (a) the Administrative Agent, (b) any Lender (including any Swingline Lender) and (c) any Issuing Bank, as applicable.

"**Recovery Event**" shall mean the receipt by the Parent or any of its Restricted Subsidiaries of any cash insurance proceeds or condemnation awards payable (i) by reason of theft, loss, physical destruction, damage, taking or any other similar event with respect to any property or assets of the Parent or any of its Restricted Subsidiaries (but not by reason of any loss of revenues or interruption of business or operations caused thereby) and (ii) under any policy of insurance required to be maintained under Section 8.03, in each case to the extent such proceeds or awards do not constitute reimbursement or compensation for amounts previously paid by the Parent or any of its Restricted Subsidiaries in respect of any such event.

"**Refinancing**" shall mean the repayment of all of the outstanding indebtedness (and termination of all commitments) under the Existing Credit Agreement as provided in Section 5.05.

"**Refinancing Effective Date**" shall have the meaning provided in the Term Loan Credit Agreement.

"**Refinancing Note Documents**" shall mean the Refinancing Notes, the Refinancing

Notes Indenture and all other documents executed and delivered with respect to the Refinancing Notes or Refinancing Notes Indenture, as in effect on Refinancing Effective Date and as the same may be amended, modified and/or supplemented from time to time in accordance with the terms hereof and thereof.

"**Refinancing Note Holder**" shall have the meaning provided in the Term Loan Credit Agreement.

"**Refinancing Notes**" shall have the meaning provided in the Term Loan Credit Agreement.

"**Refinancing Notes Indenture**" shall have the meaning provided in the Term Loan Credit Agreement.

"**Refinancing Term Loans**" shall have the meaning provided in the Term Loan Credit Agreement.

"**Register**" shall have the meaning provided in Section 12.04(c).

"**Regulation D**" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"**Regulation T**" shall mean Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"**Regulation U**" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"**Regulation X**" shall mean Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"**Related Indemnified Person**" of an Indemnified Person means (1) any controlling Person or controlled Affiliate of such Indemnified Person, (2) the respective directors, officers, or employees of such Indemnified Person or any of its controlling Persons or controlled Affiliates and (3) the respective agents of such Indemnified Person or any of its controlling Persons or controlled Affiliates, in the case of this clause (3), acting at the instructions of such Indemnified Person, controlling Person or such controlled Affiliate; *provided* that each reference to a controlled Affiliate or controlling Person in this definition pertains to a controlled Affiliate or controlling Person involved in the negotiation or administration of this Agreement or the syndication of the Term Loans. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"**Release**" shall mean actively or passively disposing, discharging, injecting, spilling, pumping, leaking, leaching, dumping, emitting, escaping, emptying, pouring, seeping, migrating or the like, into, through or upon the Environment or within, from or into any building, structure, facility or fixture.

"**Required Lenders**" shall mean Non-Defaulting Lenders, the sum of whose outstanding principal of Commitments as of any date of determination represent greater than 50% of the sum of all outstanding principal of Commitments of Non-Defaulting Lenders at such time.

"**Requirement of Law**" shall mean, with respect to any Person, (i) the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person and (ii) any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Reserves**" shall mean, without duplication of any items that are otherwise addressed or excluded through eligibility criteria, such reserves as the Administrative Agent, from time to time determines in its Permitted Discretion, including Dilution Reserves and Landlord Lien Reserves, *plus* any Bank Product Reserves; without limiting the foregoing or the definition of Permitted Discretion, such Reserves shall include reserves for freight, duty and shipping charges related to any Inventory in transit, any royalty reserves or similar reserves relating to Inventory comprised of goods subject to any licensing arrangements or other Intellectual Property or other proprietary rights of any Person, and additionally, reserves to account for the amount by which the maximum stated amount of any Letters of Credit exceeds the LC Exposure, and in the case of the Canadian Borrowing Base, including, without limitation, the Canadian Priority Payables Reserves.

Notwithstanding anything to the contrary in this Agreement, (i) such Reserves shall not be established or changed except upon not less than three (3) Business Days' prior written notice to the Lead Borrowers, which notice shall include a reasonably detailed description of such Reserve being established (during which period (a) the Administrative Agent shall, if requested, discuss any such Reserve or change with the Lead Borrowers and (b) the applicable Lead Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve or change thereto no longer exists or exists in a manner that would result in the establishment of a lower Reserve or result in a lesser change thereto, in a manner and to the extent reasonably satisfactory to the Administrative Agent), and (ii) the amount of any Reserve established by the Administrative Agent, and any change in the amount of any Reserve, shall have a reasonable relationship to the event, condition or other matter that is the basis for such Reserve or such change.

Notwithstanding clause (i) of the preceding sentence, changes to the Reserves solely for purposes of correcting mathematical or clerical errors shall not be subject to such notice period, it being understood that no Default or Event of Default shall be deemed to result therefrom, if applicable, for a period of six (6) Business Days.

"**Responsible Officer**" shall mean, with respect to any Person, its chief executive officer, president, or any vice president, managing director, treasurer, controller or other officer of such Person having substantially the same authority and responsibility; *provided* that , with respect to compliance with financial covenants, "Responsible Officer" shall mean the chief financial officer, treasurer or controller of the Parent, or any other officer of the Parent having substantially the same authority and responsibility.

"**Restricted Subsidiary**" shall mean each Subsidiary of the Parent other than any Unrestricted Subsidiary. Each Borrower shall at all times constitute a Restricted Subsidiary.

"**Returns**" shall have the meaning provided in Section 7.09.

"**Revaluation Date**" means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Canadian Dollar Denominated Loan, (ii) each date of continuation of a CDOR Loan that is a Canadian Dollar Denominated Loan and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in Canadian Dollars, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by the Issuing Bank under any Letter of Credit denominated in Canadian Dollars and (iv) such additional dates as the Administrative Agent or the Issuing Bank shall determine or the Required Lenders shall require.

"**Revolving Availability Period** " shall mean the period from and including the Closing Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

"**Revolving Borrowing**" shall mean a Borrowing comprised of Revolving Loans.

"**Revolving Commitment**" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder up to the amount set forth on Schedule 1.01(c), or in the Assignment and Assumption Agreement pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 12.04. The aggregate amount of the Lenders' Revolving Commitments on the Closing Date is $200,000,000.

"**Revolving Commitment Increase**" shall have the meaning provided in Section 2.15.

"**Revolving Exposure**" shall mean, with respect to any Lender at any time, the Dollar Equivalent of the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender, *plus* the aggregate amount at such time of such Lender's LC Exposure, *plus* the aggregate amount at such of such Lender's Swingline Exposure.

"**Revolving Lender**" shall mean a Lender with a Revolving Commitment.

"**Revolving Loans**" shall mean advances made to or at the instructions of the Borrower pursuant to Article 2 hereof and may constitute Revolving Loans, Swingline Loans or Overadvance Loans

"**Revolving Note**" means a U.S. Dollar Revolving Note or a Canadian Dollar Revolving Note.

"**RPMRR**" means the Register of Personal and Movable Real Rights (Québec).

"**S&P**" shall mean Standard & Poor's Ratings Services, a division of the McGraw Hill Company, Inc., and any successor owner of such division.

"**Sale-Leaseback Transaction**" shall mean any arrangements with any Person providing for the leasing by the Parent or any of its Restricted Subsidiaries of real or personal property which has been or is to be sold or transferred by the Parent or such Restricted Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person in connection therewith.

"**SEC**" shall mean the Securities and Exchange Commission or any successor thereto.

"**Section 8.01 Financials**" shall mean the quarterly and annual financial statements required to be delivered pursuant to Sections 8.01(a) and (b).

"**Secured Bank Product Obligations**" shall mean Bank Product Debt owing to a Secured Bank Product Provider, up to the maximum amount (in the case of any Secured Bank Product Provider other than Bank of America and its Affiliates) specified by such provider in writing to the Administrative Agent, which amount may be established or increased (by further written notice by the Lead Borrowers to the Administrative Agent from time to time) as long as no Default or Event of Default then exists and no Overadvance would result from establishment of a Bank Product Reserve for such amount and all other Secured Bank Product Obligations.

"**Secured Bank Product Provider**" means, at the time of entry into a Bank Product (or, if such Bank Product exists on the Closing Date, as of the Closing Date) the Administrative Agent, any Lender or any of their respective Affiliates that is providing a Bank Product; provided such provider delivers written notice to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, by the later of the Closing Date or ten (10) days following creation of the Bank Product, (i) describing the Bank Product

and setting forth the maximum amount to be secured by the Collateral and the methodology to be used in calculating such amount, and (ii) agreeing to be bound by Section 11.11.

"**Secured Creditors**" shall have the meaning assigned that term in the respective Security Documents.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Securities Commission**" shall mean a securities commission or any other securities regulatory authority in Canada.

"**Securities Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Security Agreement**" shall mean the U.S. Security Agreement or the Canadian Security Agreement as the context may require.

"**Security Document**" shall mean and include each of the Security Agreements, the Pledge Agreements, each Mortgage and, after the execution and delivery thereof, each Additional Security Document.

"**Sellers**" shall have the meaning provided in the recitals.

"**Similar Business**" shall mean any business and any services, activities or businesses incidental, or reasonably related or similar to, or complementary to any line of business engaged in by the Parent and its Restricted Subsidiaries on the Closing Date (after giving effect to the Transaction) or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

"**Specified Event of Default**" shall mean any Event of Default arising under Section 10.01(a), Section 10.01(c)(i) (solely relating to a failure to comply with Section 8.17(c)), Section 10.01(c)(ii) or Section 10.01(e).

"**Specified Representations**" shall mean each representation and warranty, with respect to the Parent, contained in any of Sections 7.01(a), 7.02, 7.03(c) (but only to the extent such conflict results in a Company Material Adverse Effect), 7.05(b), 7.08(c),

7.11 (other than, to the extent such representation and warranty relates to perfection of a security interest in any Collateral referred to therein, if (x) such Collateral may not be perfected by the filing of a financing statement under the Uniform Commercial Code or PPSA (as applicable) or taking possession of a stock certificate to the extent related to a material, wholly-owned Domestic Subsidiary and (y) perfection of the Collateral Agent's security interest in such Collateral described in preceding clause (x) may not be accomplished prior to or on the Closing Date after using commercially reasonable efforts), 7.15 or 7.16.

"**Spot Rate**" shall have the meaning provided in Section 1.03.

"**Subsidiary**" shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% Equity Interest at the time.

"**Subsidiary Borrower**" shall mean any Domestic Subsidiaries of the Parent that own any assets included in the Borrowing Base and that execute a counterpart hereto and to any other applicable Credit Document as a Borrower.

"**Subsidiary Guarantor**" shall mean each Domestic Subsidiary of the Parent (other than the Subsidiary Borrowers) in existence on the Closing Date (after giving effect to the Transaction) other than any Excluded Subsidiary, as well as each Domestic Subsidiary of the Parent established, created or acquired after the Closing Date which becomes a party to the Guaranty in accordance with the requirements of this Agreement or the provisions of the Guaranty.

"**Supermajority Lenders**" shall mean those Non-Defaulting Lenders which would constitute the Required Lenders under, and as defined in, this Agreement if the percentage "50%" contained therein were changed to "66- 2/3%."

"**Swap Contract**" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Swingline Commitment**" shall mean the commitment of the Swingline Lender to make loans pursuant to Section 2.12, as the same may be reduced from time to time pursuant to Section 2.07 or Section 2.12.

"**Swingline Exposure**" shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Lender at any time shall equal its Pro Rata Percentage of the aggregate Swingline Exposure at such time.

"**Swingline Lender**" shall mean Bank of America.

"**Swingline Loan**" shall mean any Loan made by the Swingline Lender pursuant to Section 2.12.

"**Swingline Note**" shall mean each swingline note substantially in the form of Exhibit B-3 hereto.

"**Syndication Agents**" shall mean JPMorgan Chase Bank, N.A. and Royal Bank of Canada.

"**Syndication Date**" shall mean such date as has been agreed to in a separate writing among the Joint Lead Arrangers and the Parent.

"**Synthetic Lease**" shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an "operating lease" by the lessee and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"**Taxes**" shall mean any and all present or future taxes, levies, imposts, duties, deductions (including, without limitation, payroll deductions), charges, fees, assessments, liabilities or withholdings (including backup withholding) imposed by any Governmental Authority in the nature of a tax, including interest, penalties and additions to tax with respect thereto.

"**Term Facility Debt**" shall mean Indebtedness in respect of the Term Loan Credit Agreement.

"**Term Loan Agent**" shall mean the "administrative agent" or "collateral agent" under the Term Loan Credit Agreement (as the context shall require), including any successors thereto.

"**Term Loan Credit Agreement** " shall mean (i) the Term Loan Credit Agreement entered into as of the Closing Date by and among the Parent, the lenders party thereto in their capacities as lenders thereunder, the Term Loan Agent and the other agents and parties party thereto from time to time, and (ii) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any Indebtedness or other financial accommodation that constitutes a Permitted Refinancing of the agreement referred to in clause (i) that has been incurred to extend (subject to the limitations set forth herein and in the ABL/Term Intercreditor Agreement) or refinance in whole or in part the Indebtedness and other obligations

outstanding under (x) the credit agreement referred to in clauses (i) or (y) any subsequent Term Loan Credit Agreement, unless such agreement or instrument expressly provides that it is not intended to be and is not a Term Loan Credit Agreement hereunder. Any reference to the Term Loan Credit Agreement hereunder shall be deemed a reference to any Term Loan Credit Agreement then in existence.

"**Term Loans**" shall mean the term loans borrowed under the Term Loan Credit Agreement.

"**Test Period**" shall mean each period of four consecutive fiscal quarters of the Parent (in each case taken as one accounting period) for which Section 8.01 Financials have been delivered.

"**Term Priority Collateral**" shall have the meaning assigned to such term in the ABL/Term Intercreditor Agreement.

"**Threshold Amount**" shall mean $25,000,000.

"**Transaction**" shall mean, collectively, (i) the consummation of the Acquisition, (ii) the consummation of the Refinancing, (iii) the entering into of the Credit Documents and the incurrence of Loans on the Closing Date, (iv) the entering into of the Term Loan Credit Agreement and (v) the payment of all Transaction Costs.

"**Transaction Costs**" shall mean the fees, premiums and expenses payable by the Parent and its Subsidiaries in connection with the transactions described in clauses (i) through (iv) of the definition of "Transaction;" *provided* that, for the purpose of Section 7.08(a), Transaction Costs shall not include any original issue discount or upfront fees.

"**Type**" shall mean the type of Loan determined with regard to the interest option applicable thereto, i.e., whether a U.S. Base Rate Loan, LIBO Rate Loan, Canadian Prime Rate Loan or CDOR Loan.

"**UCC**" shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

"**Unfunded Pension Liability**" of any Plan shall mean the amount, if any, by which the value of the accumulated plan benefits under the Plan determined on a plan termination basis in accordance with actuarial assumptions at such time consistent with those prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds the fair market value of all plan assets of such Plan.

"**United States**" and "**U.S.**" shall each mean the United States of America.

"**Unrestricted Cash**" means unrestricted cash on hand and Cash Equivalents of the Credit Parties (to the extent such cash or Cash Equivalents are held in an investment account maintained by the Collateral Agent and as to which Collateral Agent shall have a first priority

perfected Lien).

"**Unrestricted Subsidiary**" shall mean (i) each Subsidiary of the Parent listed on Schedule 1.01 and (ii) any Subsidiary of the Parent designated by the board of directors of the Parent as an Unrestricted Subsidiary pursuant to Section 8.13 subsequent to the Closing Date.

"**U.S. Base Rate**" shall mean for any day, a per annum rate equal to the highest of (a) the U.S. Prime Rate for such day; (b) the Federal Funds Rate for such day, plus 0.50%; or (c) LIBOR for a 30 day interest period as of such day, plus 1.00%.

"**U.S. Base Rate Loan**" shall mean each Loan that is designated or deemed designated as a U.S. Base Rate Loan by the applicable Lead Borrower at the time of the incurrence thereof or conversion thereto.

"**U.S. Borrowers**" shall mean BPS US Holdings Inc., Bauer Hockey, Inc., BPS Greenland Inc., Mission ITECH Hockey, Inc., Bauer Performance Sports Uniforms Inc., Bauer Performance Lacrosse Inc. and BPS Diamond Sports Inc.

"**U.S. Borrowing Base**" shall mean the sum of the following, without duplication, as set forth in the most recently delivered Borrowing Base certificate:

(a) the book value of Eligible Accounts of the U.S. Borrowers *multiplied by* the advance rate of 85%; *plus*

(b) the lesser of (x) the Cost of Eligible Inventory of the U.S. Borrowers *multiplied by* the advance rate of 70% and (y) the Net Recovery Cost Percentage *multiplied by* the Cost of Eligible Inventory of the U.S. Borrowers *multiplied by* the advance rate of 85%; *minus*

(c) any Reserves established from time to time by the Administrative Agent in accordance herewith.

"**U.S. Dollar Denominated LC Disbursements**" shall mean LC Disbursements denominated in U.S. Dollars.

"**U.S. Dollar Denominated Loans**" shall mean Loans denominated in U.S. Dollars at the time of the incurrence thereof.

"**U.S. Dollar Revolving Note**" shall mean each revolving note substantially in the form of Exhibit B-1 hereto.

"**U.S. Dollars**" and the sign "**$**" shall each mean freely transferable lawful money (expressed in dollars) of the United States.

"**U.S. Dominion Account**" shall mean a special Concentration Account established by the Lead U.S. Borrower at Bank of America, N.A. or another bank reasonably acceptable

to the Administrative Agent, over which the Administrative Agent has exclusive control for withdrawal purposes pursuant to the terms and provisions of this Agreement and the other Credit Documents.

"**U.S. Pledge Agreement**" shall mean that Pledge Agreement in the form attached hereto as Exhibit F-1 (together with each other U.S. pledge agreement delivered pursuant to the terms of this Agreement), as amended, amended and restated, or otherwise modified or supplemented from time to time.

"**U.S. Prime Rate**" the rate of interest announced by Bank of America from time to time as its prime rate. Such rate is set by Bank of America on the basis of various factors, including its costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such rate. Any change in such rate publicly announced by Bank of America shall take effect at the opening of business on the day specified in the announcement.

"**U.S. Security Agreement**" shall mean that Security Agreement in the form attached hereto as Exhibit G-1 (together with each other U.S. security agreement delivered pursuant to the terms of this Agreement), as amended, amended and restated, or otherwise modified or supplemented from time to time.

"**U.S. Tax Compliance Certificate**" shall have the meaning provided in Section 4.01(c).

"**Weighted Average Life to Maturity**" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the then outstanding principal amount of such Indebtedness into (ii) the product obtained by multiplying (x) the amount of each then remaining installment or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

"**Wholly-Owned Domestic Subsidiary**" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Domestic Subsidiary of such person.

"**Wholly-Owned Foreign Subsidiary**" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Foreign Subsidiary of such Person.

"**Wholly-Owned Restricted Subsidiary**" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Restricted Subsidiary of such Person.

"**Wholly-Owned Subsidiary**" shall mean, as to any Person, (i) any corporation 100% of whose capital stock is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person owns 100% of the Equity Interests at such time (other than, in the case of a Foreign

Subsidiary with respect to preceding clauses (i) or (ii), director's qualifying shares and/or other nominal amounts of shares required to be held by Persons other than the Parent and its Subsidiaries under applicable law).

"**Work-In-Process**" shall mean work-in-process (other than Parts) that would otherwise constitute Eligible Inventory other than on account of being work-in-process, and that Administrative Agent determines in its reasonable judgment is readily saleable in its current state of manufacturing, and only to the extent similarly situated work-in-process was included in the initial asset appraisal provided to the Administrative Agent in connection herewith.

Section 1.02. *Terms Generally*. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The words "herein," "hereof' and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement unless the context shall otherwise require. All references herein to Articles, Sections, paragraphs, clauses, subclauses, Exhibits and Schedules shall be deemed references to Articles, Sections, paragraphs, clauses and subclauses of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless otherwise expressly provided herein, (a) all references to documents, instruments and other agreements (including the Credit Documents and organizational documents) shall be deemed to include all subsequent amendments, restatements, amendments and restatements, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendments and restatements, supplements and other modifications are not prohibited by any Credit Document and (b) references to any law, statute, rule or regulation shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.03. *Currency Equivalents Generally*. Any amount specified in this Agreement (other than in Article 2, which shall be excluded from this Section 1.03 to the extent set forth therein) or any of the other Credit Documents to be in U.S. Dollars shall also include the equivalent of such amount in any currency other than U.S. Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate for the purchase of such currency with U.S. Dollars. For purposes of this Section 1.03, the "Spot Rate" for a currency means the exchange rate, as determined by the Administrative Agent, that is applicable to conversion of one currency into another currency, which is (a) the exchange rate reported by Bloomberg (or

other commercially available source designated by the Agent) as of the end of the preceding business day in the financial market for the first currency; or (b) if such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding business day in Administrative Agent's principal foreign exchange trading office for the first currency.; *provided* that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

Section 1.04. *Letter of Credit Amounts*. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time.

Section 1.05. *Calculations Generally.* Any dollar amount specified in this Agreement with respect to any Availability threshold or Excess Availability threshold shall automatically be proportionately adjusted to reflect any Revolving Commitment Increase.

ARTICLE 2
AMOUNT AND TERMS OF CREDIT

Section 2.01. *Commitments.* Subject to and upon the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make U.S. Dollar Denominated Loans to the U.S. Borrowers and U.S. Dollar Denominated Loans and Canadian Dollar Denominated Loans to the Canadian Borrowers, at any time and from time to time on and after the Closing Date until the earlier of one Business Day prior to the Maturity Date and the termination of the Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in such Lender's Revolving Exposure exceeding the lesser of (c) such Lender's Revolving Commitment, and (d) such Lender's Pro Rata Percentage *multiplied by* the Borrowing Base then in effect. Within the limits set forth above and subject to the terms, conditions and limitations set forth herein, the Borrowers may borrow, pay or prepay and reborrow Revolving Loans. All Borrowers shall be jointly and severally liable as borrowers for all Loans regardless of which Borrower receives the proceeds thereof.

Section 2.02. *Loans*. (a) Each Loan (other than Swingline Loans) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Revolving Commitments; *provided* that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans deemed made pursuant to Section 2.02(f), Loans (other than Swingline Loans) comprising any Borrowing shall be in an aggregate principal amount that is (i) (A) in the case of U.S. Base Rate Loans or Canadian Prime Rate Loans, not less than $500,000 and (B) in the case of LIBO Rate Loans or CDOR Loans, an integral multiple of $100,000, in the case of U.S.

Dollar Denominated Loans, or Cdn.$100,000, in the case of Canadian Dollar Denominated Loans, and not less than $1,000,000, or (ii) equal to the remaining available balance of the applicable Revolving Commitments.

(b) Subject to Section 3.02, (a) each Borrowing of a U.S. Dollar Denominated Loan shall be comprised entirely of U.S. Base Rate Loans or LIBO Rate Loans as and (b) each Borrowing of a Canadian Dollar Denominated Loans shall be comprised entirely of Canadian Prime Rate Loans or CDOR Loans, in each case as the applicable Lead Borrower may request pursuant to Section 2.03. Each Lender may at its option make any LIBO Rate Loan or CDOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrowers to repay such Loan in accordance with the terms of this Agreement or cause the Borrowers to pay additional amounts pursuant to Section 3.01. Borrowings of more than one Type may be outstanding at the same time; *provided further* that the Borrowers shall not be entitled to request any Borrowing that, if made, would result in more than ten (10) Borrowings of LIBO Rate Loans or ten (10) Borrowings of CDOR Loans outstanding hereunder at any one time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans made pursuant to Section 2.02(f), each Lender shall make each Loan (other than Swingline Loans) to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 3:00 p.m., New York City time, and the Administrative Agent shall promptly credit the amounts so received to an account as directed by the applicable Lead Borrower in the applicable Notice of Borrowing maintained with the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met or waived, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above, and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the Lead Borrowers severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the Lead Borrowers, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, a rate determined by the Administrative Agent to represent its cost of overnight or short-term

funds (which determination shall be conclusive absent manifest error). If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(e) Notwithstanding any other provision of this Agreement, the Lead U.S. Borrower or Lead Canadian Borrower, as applicable, shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(f) If the Issuing Bank shall not have received from the applicable Lead Borrower the payment required to be made by Section 2.13(e) within the time specified in such Section, the Issuing Bank will promptly notify the Administrative Agent of the LC Disbursement and the Administrative Agent will promptly notify each Revolving Lender of such LC Disbursement and its Pro Rata Percentage thereof. Each Revolving Lender shall pay by wire transfer of immediately available funds to the Administrative Agent on such date (or, if such Revolving Lender shall have received such notice later than 12:00 (noon), New York City time, on any day, not later than 11:00 a.m., New York City time, on the immediately following Business Day), an in U.S. Dollars or Canadian Dollars, as applicable, dependent on the denomination of the applicable Letter of Credit, amount equal to such Lender's Pro Rata Percentage of such LC Disbursement (it being understood that such amount shall be deemed to constitute a U.S. Base Rate Loan or Canadian Prime Rate Loan, as applicable, of such Lender, and such payment shall be deemed to have reduced the LC Exposure), and the Administrative Agent will promptly pay to the Issuing Bank amounts so received by it from the Revolving Lenders. The Administrative Agent will promptly pay to the Issuing Bank any amounts received by it from the Lead Borrowers pursuant to Section 2.13(e) prior to the time that any Revolving Lender makes any payment pursuant to this paragraph (f); any such amounts received by the Administrative Agent thereafter will be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made such payments and to the Issuing Bank, as their interests may appear. If any Revolving Lender shall not have made its Pro Rata Percentage of such LC Disbursement available to the Administrative Agent as provided above, such Lender and the applicable Lead Borrower severally agree to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with this paragraph (f) to but excluding the date such amount is paid, to the Administrative Agent for the account of the Issuing Bank at (i) in the case of a Lead Borrower, a rate per annum equal to the interest rate applicable to Revolving Loans pursuant to Section 2.06(a), and (ii) in the case of such Lender, for the first such day, the Federal Funds Rate or another rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and for each day thereafter, the U.S. Base Rate or another rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, in each case, as applicable.

Section 2.03. *Borrowing Procedure*. To request a Revolving Borrowing, the Lead U.S. Borrower or Lead Canadian Borrower, as applicable, shall notify the Administrative Agent of such request by electronic transmission (i) in the case of a Borrowing of LIBO Rate Loans or CDOR Loans, not later than 1:00 p.m., New York City time, three (3) Business

Days before the date of the proposed Borrowing or (ii) in the case of a Borrowing of U.S. Base Rate Loans or Canadian Prime Rate Loans (other than Swingline Loans), not later than 1:00 p.m., New York City time, on the Business Day of the proposed Borrowing. Each such Notice of Borrowing shall be irrevocable, subject to Sections 2.09 and 3.01, and shall be signed by the Lead U.S. Borrower or Lead Canadian Borrower, as applicable. Each such Notice of Borrowing shall specify the following information in compliance with Section 2.02:

(a) the aggregate amount of such Borrowing;

(b) the date of such Borrowing, which shall be a Business Day;

(c) whether such Borrowing is to be a Borrowing of U.S. Dollar Denominated Loans or Canadian Dollar Denominated Loans;

(d) in the case of U.S. Dollar Denominated Loans, if such Borrowing is to be of U.S. Base Rate Loans or a Borrowing of LIBO Rate Loans;

(e) in the case of Canadian Dollar Denominated Loans, if such Borrowing is to be of Canadian Prime Rate Loans or CDOR Loans;

(f) in the case of a Borrowing of LIBO Rate Loans or CDOR Loans, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(g) the location and number of the account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02; and

(h) that the conditions set forth in Article 5 or Article 6, as applicable, are satisfied or waived as of the date of the notice.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Borrowing of U.S. Base Rate Loans, in the case of U.S. Dollar Denominated Loans, or Canadian Prime Rate Loans, in the case of Canadian Dollar Denominated Loans. If no Interest Period is specified with respect to any requested Borrowing of LIBO Rate Loans or CDOR Loans, then the applicable Lead Borrower shall be deemed to have selected an Interest Period of one month's duration (subject to the proviso in (f) above). Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04. *Evidence of Debt; Repayment of Loans.* (a) Each Borrower, jointly and severally, hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender, the then unpaid principal amount of each Revolving Loan of such Lender on the Maturity Date and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Lead Borrowers shall be entitled to review records of such accounts with prior reasonable notice during normal business hours.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder; and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The Lead Borrowers shall be entitled to review records of such accounts with prior reasonable notice during normal business hours.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be conclusive evidence of the existence and amounts of the obligations therein recorded absent manifest error; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans in accordance with their terms.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the applicable Borrower shall promptly prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) substantially in the form of Exhibit B-1, Exhibit B-2 or Exhibit B-3, as applicable.

Section 2.05. *Fees.*

(a) *Commitment Fee*. The Borrowers shall, jointly and severally, pay to the Administrative Agent, for the Pro Rata benefit of the Lenders (other than any Defaulting Lender), a fee equal to the Commitment Fee Percentage *multiplied by* the amount by which the Revolving Commitments (other than Revolving Commitments of a Defaulting Lender) exceed the Dollar Equivalent of the average daily balance of outstanding Revolving Loans (other than Swingline Loans) and stated amount of outstanding Letters of Credit during any fiscal quarter (such fee, the "**Commitment Fee**"). Such fee shall accrue commencing on the Closing Date, and will be payable in arrears on the first calendar day of each fiscal quarter, commencing on the first such calendar date to occur after the Closing Date. Any Commitment Fee owing at any time that the Commitments are termination shall be immediately due and payable.

(b) *Administrative Agent Fees*. The Borrowers, jointly and severally, agree to pay to the Administrative Agent, for its own account, the fees set forth in the Fee Letter or such other fees payable in the amounts and at the times separately agreed upon between the Lead Borrowers and the Administrative Agent (the "**Administrative Agent Fees**").

(c) *LC and Fronting Fees*. The Borrowers, jointly and severally, agree to pay (iii) to the Administrative Agent for the account of each Revolving Lender a participation fee ("**LC Participation Fee**") with respect to its participations in Letters of Credit, which shall accrue at a rate equal to the Applicable Margin from time to time used to determine the interest rate on LIBO Rate Loans or CDOR Loans pursuant to Section 2.06, on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (iv) to the Issuing Bank a fronting fee (" **Fronting Fee**"), which shall accrue at the rate of 0.125% per annum on the average outstanding daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard and reasonable fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder as agreed among the Lead Borrowers and the Issuing Bank from time to time. LC Participation Fees and Fronting Fees will be payable in arrears on the first calendar day of each fiscal quarter, commencing on the first such calendar date to occur after the Closing Date; *provided* that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand (including documentation reasonably supporting such request). Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable upon receipt of a written demand (together with backup documentation supporting such reimbursement request). All LC Participation Fees and Fronting Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (from the first day through the last day of the outstanding Letters of Credit balance).

(d) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders (other than Defaulting Lenders), except that the Fronting Fees shall be paid directly to the Issuing Bank. Fees on account of Letters of Credit denominated in Canadian Dollars shall be paid in Canadian Dollars and fees on account of Letters of Credit denominated in U.S. Dollars shall be paid in U.S. Dollars. Once paid, none of the fees shall be refundable under any circumstances.

Section 2.06. *Interest on Loans.* (a) Subject to the provisions of Section 2.06(c), the Loans comprising each Borrowing of U.S. Base Rate Loans or Canadian Prime Rate Loans, including each Swingline Loan, shall bear interest at a rate per annum equal to the U.S. Base Rate or Canadian Prime Rate (as applicable) *plus* the Applicable Margin in effect from time to time.

(b) Subject to the provisions of Section 2.06(c), the Loans comprising each Borrowing of LIBO Rate Loans or CDOR Loans shall bear interest at a rate per annum equal to the LIBO Rate or the CDOR Rate (as applicable) for the Interest Period in effect for such

Borrowing *plus* the Applicable Margin in effect from time to time.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fees or other amount payable by the Borrowers hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of, or interest on, any Loan, 2% *plus* the rate otherwise applicable to such Loan or (ii) in the case of any other amount, 2% *plus* the rate applicable to U.S. Base Rate Loans or Canadian Prime Rate (in each case, the "**Default Rate**").

(d) Accrued interest on each Loan shall be payable in arrears on each Adjustment Date, commencing with June 1, 2014, for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; *provided* that (i) interest accrued pursuant to paragraph (c) of this Section 2.06 shall be payable on demand and, absent demand, on each Adjustment Date and upon termination of the Revolving Commitments, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of a U.S. Base Rate Loan or Canadian Prime Rate Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any LIBO Rate Loan or CDOR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 365 days, except that interest computed by reference to LIBO Rate (other than U.S. Base Rate Loans determined by reference to LIBO Rate) and all fees shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable U.S. Base Rate, Canadian Prime Rate, LIBO or CDOR Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement and such determination shall absent manifest error, be final and conclusive and binding on all parties hereto.

For the purposes of the *Interest Act* (Canada), the yearly rate of interest to which any rate calculated on the basis of a period of time different from the actual number of days in the year (three hundred sixty (360) days, for example) is equivalent to the stated rate multiplied by the actual number of days in the year (three hundred sixty-five (365) or three hundred sixty-six (366), as applicable) and divided by the number of days in the shorter period (three hundred sixty (360) days, in the example), and the parties hereto acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates and that the calculations herein are to be made using the nominal rate method and not on any basis that gives effect to the principle of deemed reinvestment of interest.

Section 2.07. *Termination and Reduction of Commitments.* (a) The Revolving Commitments, the Swingline Commitment, and the LC Commitment shall automatically terminate on the Maturity Date or such earlier date on which they are terminated pursuant to Section 10.02.

(b) The Lead Borrowers may at any time terminate, or from time to time reduce, the Revolving Commitments; *provided* that (iii) any such reduction shall be in an amount that is an integral multiple of $1,000,000 and (iv) the Revolving Commitments shall not be terminated or reduced if after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.09, the Aggregate Exposures would exceed the Aggregate Commitments.

(c) The Lead Borrowers shall notify the Administrative Agent of any election to terminate or reduce the Aggregate Commitments under paragraph (b) of this Section 2.07 at least two (2) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Lead Borrowers pursuant to this Section 2.07 shall be irrevocable except that, to the extent delivered in connection with a refinancing of the Obligations, such notice shall not be irrevocable until such refinancing is closed and funded. Any effectuated termination or reduction of the Aggregate Commitments shall be permanent. Each reduction of the Aggregate Commitments shall be made ratably among the Lenders in accordance with their respective Revolving Commitments.

Section 2.08. *Interest Elections.* (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Notice of Borrowing and, in the case of a Borrowing of LIBO Rate Loans or CDOR Loans, shall have an initial Interest Period as specified in such Notice of Borrowing. Thereafter, the applicable Lead Borrower may elect to convert such Borrowing to a different Type (in the case of a LIBO Rate Loan, to a U.S. Base Rate Loan (or vice versa), and in the case of a CDOR Loan, to a Canadian Prime Rate Loan (or vice versa)) or to continue such Borrowing and, in the case of a Borrowing of LIBO Rate Loans or CDOR Loans, may elect Interest Periods therefor, all as provided in this Section 2.08. The applicable Lead Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything to the contrary, the Lead Borrowers shall not be entitled to request any conversion or continuation that, if made, would result in more than ten (10) Borrowings of LIBO Rate Loans or more than ten (10) Borrowings of CDOR Loans outstanding hereunder at any one time. This Section 2.08 shall not apply to Swingline Loans, which may not be converted or continued.

(b) To make an election pursuant to this Section 2.08, the applicable Lead Borrower shall notify the Administrative Agent of such election by electronic transmission by the time that a Notice of Borrowing would be required under Section 2.03 if the applicable Lead Borrower was requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election, subject to Section 3.06. Each such Notice of Conversion/Continuation shall be substantially in the form of Exhibit A-2, unless otherwise agreed to by the Administrative Agent and the applicable Lead Borrower.

(c) Each Notice of Conversion/Continuation shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Notice of Conversion/Continuation applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Notice of Conversion/Continuation, which shall be a Business Day;

(iii) in the case of a U.S. Dollar Denominated Loan, whether the resulting Borrowing is to be a Borrowing of U.S. Base Rate Loans or a Borrowing of LIBO Rate Loans, and in the case of a Canadian Dollar Denominated Loan, whether the resulting borrowing is to be a Borrowing of Canadian Prime Rate Loans or a Borrowing of CDOR Loans; and

(iv) if the resulting Borrowing is a Borrowing of LIBO Rate Loans or CDOR Loans, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "**Interest Period**".

If any such Notice of Conversion/Continuation requests a Borrowing of LIBO Rate Loans or CDOR Loans but does not specify an Interest Period, then the applicable Lead Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Notice of Conversion/Continuation, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If a Notice of Conversion/Continuation with respect to a Borrowing of LIBO Rate Loans or a Borrowing of CDOR Loans is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Borrowing of U.S. Base Rate Loans, in the case of U.S. Dollar Denominated Loans, or a Borrowing of Canadian Prime Rate Loans, in the case of Canadian Dollar Denominated Loans. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Lead Borrowers, then, after the occurrence and during the continuance of such Event of Default (i) no outstanding Borrowing may be converted to or continued as a Borrowing of LIBO Rate Loans or a Borrowing of CDOR Loans and (ii) unless repaid, at the end of the Interest Period applicable thereto, each Borrowing of LIBO Rate Loans shall be converted to a Borrowing of U.S. Base Rate Loans and each Borrowing of CDOR Loans shall be converted to a Borrowing of Canadian Prime Rate Loans.

Section 2.09. *Optional and Mandatory Prepayments of Loans.*

(a) *Optional Prepayments*. The Lead Borrowers shall have the right at any time and from time to time to prepay, without premium or penalty, any Borrowing, in whole or in part, subject to the requirements of this Section 2.09; *provided* that each partial prepayment shall be in an amount that is an integral multiple of $100,000, in the case of U.S Dollar Denominated Loans, or Cdn.$100,000, in the case of Canadian Dollar Denominated Loans.

(b) *Revolving Loan Prepayments*.

(i) In the event of the termination of all the Revolving Commitments, the Lead Borrowers shall, on the date of such termination, repay or prepay all the outstanding Revolving Borrowings and all outstanding Swingline Loans and Cash Collateralize or backstop on terms reasonably satisfactory to the Administrative Agent the LC Exposure in accordance with Section 2.13(j).

(ii) In the event of any partial reduction of the Revolving Commitments, then (A) at or prior to the effective date of such reduction, the Administrative Agent shall notify the Lead Borrowers and the Revolving Lenders of the Aggregate Exposures after giving effect thereto and (B) if the Aggregate Exposures would exceed the Line Cap then in effect, after giving effect to such reduction, then the Lead Borrowers shall, on the date of such reduction (or, if such reduction is due to the imposition of new Reserves or a change in the methodology of calculating existing Reserves, within five (5) Business Days following such notice), *first*, repay or prepay all Swingline Loans, *second*, repay or prepay Revolving Borrowings and *third*, replace or Cash Collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to eliminate such excess.

(iii) In the event that the Aggregate Exposures at any time (including, without limitation, on any Revaluation Date) exceeds the Line Cap then in effect, the Lead Borrowers shall, immediately after demand (or, if such overadvance is due to the imposition of new Reserves or a change in the methodology of calculating existing Reserves or a change in eligibility standards, within five (5) Business Days following notice), apply an amount equal to such excess to prepay the Loans and any interest accrued thereon, in accordance with this Section 2.09(b)(iii). The Lead Borrowers shall, *first*, repay or prepay all Swingline Loans, *second*, repay or prepay Revolving Borrowings, and *third*, replace or Cash Collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to eliminate such excess.

(iv) In the event that the aggregate LC Exposure exceeds the LC Commitment then in effect, the Lead Borrowers shall, without notice or demand, immediately replace or Cash Collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.13(j), in an amount sufficient to eliminate such excess.

(c) *Application of Prepayments*.

(i) Prior to any optional or mandatory prepayment of Borrowings hereunder, the applicable Lead Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (i) of this Section 2.09(c). Unless during a Liquidity Period, except as provided in Section 2.09(b)(iii) hereof, all mandatory prepayments shall be applied as follows: *first*, to fees and reimbursable expenses of the Administrative Agent then due and payable pursuant to the Credit Documents; *second*, to interest then due and payable on the Borrowers' Swingline Loans; *third*, to the principal balance of the Swingline Loan outstanding until the same has been prepaid in full; *fourth*, to interest then due and payable on the Revolving Loans and other amounts due pursuant to Sections 3.02 and 4.01; *fifth*, to the principal balance of the Revolving Loans until the same have been prepaid in full; *sixth*, to Cash Collateralize all LC Exposure *plus* any accrued and unpaid interest thereon (to be held and applied in accordance with Section 2.13(j) hereof); *seventh*, to all other Obligations pro rata in accordance with the amounts that such Lender certifies is outstanding; and *eighth*, as required by the ABL/Term Intercreditor Agreement or, in the absence of any such requirement, returned to the applicable Lead Borrower or to such party as otherwise required by law.

(ii) Amounts to be applied pursuant to this Section 2.09 to the prepayment of Revolving Loans shall be applied, as applicable, first to reduce outstanding U.S. Base Rate Loans or Canadian Prime Rate Loans, as applicable. Any amounts remaining after each such application shall be applied to prepay LIBO Rate Loans or CDOR Loans, as applicable. Notwithstanding the foregoing, if the amount of any prepayment of Loans required under this Section 2.09 shall be in excess of the amount of the U.S. Base Rate Loans and Canadian Prime Rate Loans at the time outstanding, only the portion of the amount of such prepayment that is equal to the amount of such outstanding U.S. Base Rate Loans and Canadian Prime Rate Loans shall be immediately prepaid and, at the election of the applicable Lead Borrower, the balance of such required prepayment shall be either (A) deposited in the LC Collateral Accounts and applied to the prepayment of LIBO Rate Loans or CDOR Loans on the last day of the then next-expiring Interest Period for LIBO Rate Loans or CDOR Loans (with all interest accruing thereon for the account of the applicable Lead Borrower) or (B) prepaid immediately, together with any amounts owing to the Lenders under Section 2.10. Notwithstanding any such deposit in the LC Collateral Accounts, interest shall continue to accrue on such Loans until prepayment.

(d) *Notice of Prepayment*. The Lead Borrowers shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by electronic transmission of any prepayment hereunder (iii) in the case of prepayment of a Borrowing of LIBO Rate Loans or CDOR Loans, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of prepayment, (iv) in the case of prepayment

of a Borrowing of U.S. Base Rate Loans or Canadian Prime Rate Loans, not later than 2:00 p.m., New York City time, on the date of prepayment or (v) in the case of prepayment of a Swingline Loan, not later than 1:00 p.m., New York City time, on the date of prepayment. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Each notice of prepayment pursuant to this Section 2.09 shall be irrevocable, except that the applicable Lead Borrower may, by subsequent notice to the Administrative Agent, revoke any such notice of prepayment if such notice of revocation is received not later than 10:00 a.m. (New York City time) on the day on which such prepayment is scheduled to occur and, *provided* that (i) the applicable Lead Borrower reimburses each Lender pursuant to Section 3.03 for any funding losses within five (5) Business Days after receiving written demand therefor and (ii) the amount of Loans as to which such revocation applies shall be deemed converted to (or continued as, as applicable) U.S. Base Rate Loans or Canadian Prime Rate Loans, as applicable, in accordance with the provisions of Section 2.08 as of the date of notice of revocation (subject to subsequent conversion in accordance with the provisions of this Agreement). Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

Section 2.10. *Payments Generally; Pro Rata Treatment; Sharing of Set-Offs.*

(a) Each Borrower shall make each payment required to be made by it hereunder or under any other Credit Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 3.01 and 4.01 or otherwise) at or before the time expressly required hereunder or under such other Credit Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time), on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Payment Office, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 3.01, 4.01 and 12.01 shall be made to the Administrative Agent for the benefit of to the Persons entitled thereto and payments pursuant to other Credit Documents shall be made to the Administrative Agent for the benefit of the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Credit Document shall be due on a day that is not a Business Day, the

date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All Canadian Dollar Denominated Loans shall be paid in Canadian Dollars and all U.S. Dollar Denominated Loans shall be paid in U.S. Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied in the manner as provided in Section 2.09(c) or 10.03 hereof, as applicable, ratably among the parties entitled thereto.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; *provided* that (vi) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (vii) the provisions of this paragraph shall not be construed to apply to any payment made by the Lead Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Parent or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Credit Parties rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of a Credit Party in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the applicable Lead Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the applicable Lead Borrower will not make such payment, the Administrative Agent may assume that the applicable Lead Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the applicable Lead Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and

including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), 2.02(f), 2.10(d), 2.12(d) or 2.13(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.11. *Defaulting Lenders.*

(a) *Reallocation of Pro Rata Share; Amendments*. For purposes of determining the Lenders' obligations to fund or acquire participations in Loans or Letters of Credit, the Administrative Agent may exclude the Commitments and Loans of any Defaulting Lender(s) from the calculation of Pro Rata Shares. A Defaulting Lender shall have no right to vote on any amendment, waiver or other modification of a Credit Document, except as provided in Section 12.10.

(b) *Payments; Fees*. The Administrative Agent may, in its discretion, receive and retain any amounts payable to a Defaulting Lender under the Credit Documents, and a Defaulting Lender shall be deemed to have assigned to the Administrative Agent such amounts until all Obligations owing to the Administrative Agent, Non-Defaulting Lenders and other Secured Creditors have been paid in full. The Administrative Agent may apply such amounts to the Defaulting Lender's defaulted obligations, use the funds to Cash Collateralize such Lender's Fronting Exposure, or readvance the amounts to the applicable Lead Borrower hereunder. A Lender shall not be entitled to receive any fees accruing hereunder during the period in which it is a Defaulting Lender, and the unfunded portion of its Commitment shall be disregarded for purposes of calculating the Commitment Fee under Section 2.05(a). To the extent any LC Obligations owing to a Defaulted Lender are reallocated to other Lenders, LC Participation Fees attributable to such LC Obligations under Section 2.05(c) shall be paid to such other Lenders. The Administrative Agent shall be paid all LC Participation Fees attributable to LC Obligations that are not so reallocated.

(c) *Cure*. The Lead Borrowers, Administrative Agent and Issuing Bank may agree in writing that a Lender is no longer a Defaulting Lender. At such time, Pro Rata Shares shall be reallocated without exclusion of such Lender's Commitments and Loans, and all outstanding Loans, LC Obligations and other exposures under the Commitments shall be reallocated among Lenders and settled by the Administrative Agent (with appropriate payments by the reinstated Lender) in accordance with the readjusted Pro Rata Shares. Unless expressly agreed by the Lead Borrowers, Administrative Agent and Issuing Bank, no reinstatement of a Defaulting Lender shall constitute a waiver or release of claims against such Lender. The failure of any Lender to fund a Loan, to make a payment in respect of LC Obligations or otherwise to perform its obligations hereunder shall not relieve any other

Lender of its obligations, and no Lender shall be responsible for default by another Lender.

Section 2.12. *Swingline Loans.*

(a) *Swingline Commitment*. Subject to the terms and conditions set forth herein, the Swingline Lender shall make Swingline Loans to the Lead Borrowers from time to time during the Revolving Availability Period, in an aggregate principal amount, the Dollar Equivalent of which, at any time outstanding, will not result in (viii) the aggregate principal amount of outstanding Swingline Loans exceeding $20,000,000 or (ix) the Aggregate Exposures exceeding the lesser of (A) the Aggregate Commitments and (B) the Borrowing Base then in effect; *provided* that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Lead Borrowers may borrow, repay and reborrow Swingline Loans.

(b) *Swingline Loans*. To request a Swingline Loan, the applicable Lead Borrower shall notify the Administrative Agent of such request by electronic transmission, not later than 1:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Lead Borrowers. The Swingline Lender shall make each Swingline Loan available to the applicable Lead Borrower by means of a credit to the general deposit account of the applicable Lead Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.13(e), by remittance to the Issuing Bank) by 5:00 p.m., New York City time, on the requested date of such Swingline Loan. The Lead Borrowers shall not request a Swingline Loan if at the time of and immediately after giving effect to such request a Default has occurred and is continuing. Swingline Loans shall be made in minimum amounts of $100,000, in the case of Swingline Loans denominated in U.S. Dollars, and Cdn.$100,000 in the case of Swingline Loans denominated in Canadian Dollars.

(c) *Prepayment*. The Lead Borrowers shall have the right at any time and from time to time to repay, without premium or penalty, any Swingline Loan, in whole or in part, upon giving written notice to the Swingline Lender and to the Administrative Agent before 2:00 p.m., New York City time on the date of repayment at the Swingline Lender's address for notices specified in the Swingline Lender's administrative questionnaire. All principal payments of Swingline Loans shall be accompanied by accrued interest on the principal amount being repaid to the date of payment.

(d) *Participations*. The Swingline Lender may by written notice given to the Administrative Agent not later than 2:00 p.m., New York City time, on any Business Day require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender,

specifying in such notice such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Aggregate Commitments or whether an Overadvance exists or is created thereby, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever (*provided* that such payment shall not cause such Lender's Revolving Exposure to exceed such Lender's Revolving Commitment). Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.02(f) with respect to Loans made by such Lender (and Section 2.02 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders and thereafter, payments by the applicable Borrower in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. The Administrative Agent from time to time, as reasonably requested by the Lead Borrowers, shall notify the Lead Borrowers of participations in any Swingline Loan acquired pursuant to this paragraph. Any amounts received by the Swingline Lender from a Lead Borrower (or other party on behalf of a Lead Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve any Borrower of any default in the payment thereof. Further, in the event any Lender is a Defaulting Lender, to the extent the purchase of participations in accordance with each non-Defaulting Lender's Pro Rata Share, shall not be sufficient to cover the participation exposure attributable to the Defaulting Lender(s), then the Swingline Lender may require the Borrowers to repay such "uncovered" exposure in respect of such Swingline Loan(s) and the Swingline Lender will have no obligation to make new Swingline Loans to the extent such Swingline Loans would exceed the Revolving Commitments of the Non-Defaulting Lenders.

(e) If the Maturity Date shall have occurred at a time when Extended Revolving Loan Commitments are in effect, then on the Maturity Date all then outstanding Swingline Loans shall be repaid in full on such date (and there shall be no adjustment to the participations in such Swingline Loans as a result of the occurrence of such Maturity Date); *provided* that, if on the occurrence of the Maturity Date (after giving effect to any repayments of Revolving Loans and any reallocation of Letter of Credit participations as contemplated in Section 2.13(o)), there shall exist sufficient unutilized Extended Revolving Loan Commitments so that the respective outstanding Swingline Loans could be incurred pursuant to the Extended Revolving Loan Commitments which will remain in effect after the

occurrence of the Maturity Date, then there shall be an automatic adjustment on such date of the participations in such Swingline Loans and same shall be deemed to have been incurred solely pursuant to the Extended Revolving Loan Commitments and such Swingline Loans shall not be so required to be repaid in full on the Maturity Date.

Section 2.13. *Letters of Credit.*

(a) *General*. Subject to the terms and conditions set forth herein, the Lead Borrowers may request the issuance of Letters of Credit for a Lead Borrower's account or the account of the Parent or a Subsidiary of the Parent in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Revolving Availability Period. All Existing Letters of Credit shall be deemed, without further action by any party hereto, to have been issued on the Closing Date pursuant to this Agreement, and the Lenders shall thereupon acquire participations in the Existing Letters of Credit as if so issued without further action by any party hereto, to be acquired by the Lenders hereto. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by a Lead Borrower to, or entered into by a Lead Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) *Request for Issuance, Amendment, Renewal, Extension; Certain Conditions* . To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, the applicable Lead Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) a LC Request to the Issuing Bank and the Administrative Agent not later than 1:00 p.m. on the second Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is reasonably acceptable to the Issuing Bank). A request for an initial issuance of a Letter of Credit shall specify in form and detail reasonably satisfactory to the Issuing Bank: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (ii) the amount thereof; (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder, and (vii) such other matters as the Issuing Bank may reasonably require. A request for an amendment, renewal or extension of any outstanding Letter of Credit shall specify in form and detail reasonably satisfactory to the Issuing Bank (w) the Letter of Credit to be amended, renewed or extended; (x) the proposed date of amendment, renewal or extension thereof (which shall be a Business Day), (y) the nature of the proposed amendment, renewal or extension, and (z) such other matters as the Issuing Bank may reasonably require. If requested by the Issuing Bank, the applicable Lead Borrower also shall submit a letter of credit application substantially on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Lead Borrower shall be deemed to represent and warrant (solely in

the case of (w) and (x)) that, after giving effect to such issuance, amendment, renewal or extension (C) the LC Exposure shall not exceed $25,000,000, (D) the total Revolving Exposures shall not exceed the lesser of (1) the total Revolving Commitments and (2) the Borrowing Base then in effect and (E) if a Defaulting Lender exists, either such Lender or the applicable Lead Borrower has entered into arrangements satisfactory to the Administrative Agent and Issuing Bank to eliminate any Fronting Exposure associated with such Lender. Unless the Issuing Bank shall otherwise agree, no Letter of Credit shall be denominated in a currency other than U.S. Dollars.

(c) *Expiration Date*. Each Letter of Credit shall expire at or prior to the close of business on the earlier of the date which is one year after the date of the issuance of such Letter of Credit (or such other longer period of time as the Administrative Agent and the applicable Issuing Bank may agree and, in the case of any renewal or extension thereof, one (1) year after such renewal or extension) and, unless Cash Collateralized or otherwise credit supported to the reasonable satisfaction of the Administrative Agent and the applicable Issuing Bank (in which case the expiry may extend no longer than twelve months after the Letter of Credit Expiration Date) the Letter of Credit Expiration Date. Each Letter of Credit may, upon the request of the applicable Lead Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of twelve (12) months or less (but, subject to the foregoing, not beyond the date that is after the Letter of Credit Expiration Date) unless the applicable Issuing Bank notifies the beneficiary thereof at least thirty (30) days prior to the then-applicable expiration date that such Letter of Credit will not be renewed.

(d) *Participations*. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Pro Rata Percentage of each LC Disbursement (in the same currency as the underlying Letter of Credit (i.e., Canadian Dollars or U.S. Dollars)) made by the Issuing Bank and not reimbursed by the applicable Lead Borrower on the date due as provided in paragraph (e) of this Section 2.13, or of any reimbursement payment required to be refunded to the applicable Lead Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Aggregate Commitments or whether or not an Overadvance exists or is created thereby, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) *Reimbursement*. If the Issuing Bank shall make any LC Disbursement in

respect of a Letter of Credit, the Lead U.S. Borrower, in the case of an LC Disbursement to on account of a Letter of Credit for which any U.S. Borrower was the co-applicant, or the Lead Canadian Borrower, on account of any Letter of Credit for which any Canadian Borrower was the co-applicant, shall reimburse such LC Disbursement by paying to the Issuing Bank an amount equal to such LC Disbursement not later than 2:00 p.m., New York City time, on the Business Day after receiving notice from the Issuing Bank of such LC Disbursement; *provided* that , whether or not the applicable Lead Borrower submits a Notice of Borrowing, the applicable Lead Borrower shall be deemed to have requested (except to the extent the applicable Lead Borrower makes payment to reimburse such LC Disbursement when due) a Borrowing of U.S. Base Rate Loans, in the case of a U.S. Dollar Denominated LC Disbursement, or Canadian Prime Rate Loans, in the case of a Canadian Dollar LC Disbursement, in an amount necessary to reimburse such LC Disbursement. If the applicable Lead Borrower fails to make such payment when due, the Issuing Bank shall notify the Administrative Agent and the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the applicable Lead Borrower in respect thereof and such Lender's Pro Rata Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Pro Rata Percentage of the unreimbursed LC Disbursement in the same manner as provided in Section 2.02(f) with respect to Loans made by such Lender, and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders (*provided* that such payment shall not cause such Revolving Lender's Exposure to exceed such Revolving Lender's Commitment). Promptly following receipt by the Administrative Agent of any payment from the applicable Lead Borrower pursuant to this paragraph, the Administrative Agent shall, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, distribute such payment to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of U.S. Base Rate Loans, Canadian Prime Rate Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the applicable Lead Borrower of its obligation to reimburse such LC Disbursement.

(f) *Obligations Absolute*.

(i) Subject to the limitations set forth below, the obligations of the Lead Borrowers to reimburse LC Disbursements as provided in paragraph (e) of this Section 2.13 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (A) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (B) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (C) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not strictly comply with the terms of such Letter of Credit, (D) the existence of any claim, setoff, defense or other right which the applicable Lead Borrower may have at any time

against a beneficiary of any Letter of Credit, or (E) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.13, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of the applicable Lead Borrower hereunder; *provided* that the applicable Lead Borrower shall have no obligation to reimburse the Issuing Bank to the extent that such payment was made in error due to the gross negligence, bad faith, or willful misconduct of the Issuing Bank (as determined by a court of competent jurisdiction or another independent tribunal having jurisdiction). Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Affiliates, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; *provided* that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Lead Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Lead Borrowers to the extent permitted by applicable law) suffered by the Lead Borrowers that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, willful misconduct, or bad faith on the part of the Issuing Bank (as determined by a court of competent jurisdiction or another independent tribunal having jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(ii) The Issuing Bank does not assume any responsibility for any failure or delay in performance or any breach by the Lead Borrowers or other Person of any obligations under any LC Document. The Issuing Bank does not make to the Lenders any express or implied warranty, representation or guaranty with respect to the Collateral, such documents or any Credit Party. The Issuing Bank shall not be responsible to any Lender for any recitals, statements, information, representations or warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of any LC Document; the validity, genuineness, enforceability, collectability, value or sufficiency of any Collateral or the perfection of any Lien therein; or the assets, liabilities, financial condition, results of operations, business,

creditworthiness or legal status of any Credit Party.

(iii) No Issuing Bank or any of its Affiliates, and their respective officers, directors, employees, agents and investment advisors shall be liable to any Lender or other Person for any action taken or omitted to be taken in connection with any LC Documents except as a result of its actual gross negligence or willful misconduct as determined by court of competent jurisdiction in a final nonappealable judgment. The Issuing Bank shall not have any liability to any Lender if the Issuing Bank refrains from any action under any Letter of Credit or such LC Documents until it receives written instructions from the Required Lenders.

(g) *Disbursement Procedures*. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the applicable Lead Borrower by electronic transmission of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the applicable Lead Borrower of its obligation to reimburse the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement (other than with respect to the timing of such reimbursement obligation set forth in Section 2.13(e)).

(h) *Interim Interest*. If the Issuing Bank shall make any LC Disbursement, then, unless the applicable Lead Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the applicable Lead Borrower reimburses such LC Disbursement, at the rate per annum then applicable to U.S. Base Rate Loans or Canadian Prime Rate Loans, as applicable; *provided* that , if the applicable Lead Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section 2.13, then Section 2.06(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section 2.13 to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) *Resignation or Removal of the Issuing Bank*. The Issuing Bank may resign as Issuing Bank hereunder at any time upon at least 30 days' prior written notice to the Lenders, the Administrative Agent and the Lead Borrowers. The Issuing Bank may be replaced at any time by agreement between the Lead Borrowers and the Administrative Agent, *provided* that so long as no Default or Event of Default exists, such successor Issuing Bank shall be reasonably acceptable to the Lead Borrowers. One or more Lenders may be appointed as additional Issuing Banks in accordance with subsection (k) below. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank or any such additional Issuing Bank. At the time any such resignation or replacement shall become effective, the Lead Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.05(c). From and after the effective date of any such resignation

or replacement or addition, as applicable, (i) the successor or additional Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "**Issuing Bank**" shall be deemed to refer to such successor or such addition or to any previous Issuing Bank, or to such successor or such additional Issuing Bank and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. If at any time there is more than one Issuing Bank hereunder, the Lead Borrowers may, in their discretion, select which Issuing Bank is to issue any particular Letter of Credit.

(j) *Cash Collateralization*.

(i) If any Specified Event of Default shall occur and be continuing, on the Business Day that the Lead Borrowers receive notice from the Administrative Agent (acting at the request of the Required Lenders) demanding the deposit of Cash Collateral pursuant to this paragraph, the Lead Borrowers shall deposit in the LC Collateral Accounts (in Canadian Dollars with respect to Canadian Dollar denominated Letters of Credit and U.S. Dollars with respect to U.S. Dollar denominated Letters of Credit), in the name of the Administrative Agent and for the benefit of the Secured Creditors, an amount in cash equal to 102% of the LC Exposure as of such date. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Lead Borrowers under this Agreement, but shall be immediately released and returned to the Lead Borrowers (in no event later than two (2) Business Days) once all Specified Events of Default are cured or waived. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made only in Cash Equivalents and at the direction of the Lead Borrowers and at the Lead Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Lead Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations of the Lead Borrowers.

(ii) The Lead Borrowers shall, on demand by the Issuing Bank or the Administrative Agent from time to time, Cash Collateralize the Fronting Exposure associated with any Defaulting Lender.

(k) *Additional Issuing Banks*. The Lead Borrowers may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld, delayed or conditioned) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement. Any Lender designated as an issuing bank pursuant to this paragraph (k) shall be deemed (in addition to being a Lender) to be the Issuing Bank with respect to Letters of Credit issued or to be issued by such Lender, and all references herein and in the other Credit Documents to the term "**Issuing Bank**" shall, with respect to such Letters of Credit, be deemed to refer to such Lender in its capacity as Issuing Bank, as the context shall require.

(l) The Issuing Bank shall be under no obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it; or

(ii) the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank.

(m) The Issuing Bank shall be under no obligation to amend any Letter of Credit if (i) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (ii) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(n) *LC Collateral Accounts*.

(i) The Administrative Agent is hereby authorized to establish and maintain at the Notice Office, in the name of the Administrative Agent and pursuant to a dominion and control agreement, restricted deposit accounts designated "The Lead Borrowers Canadian LC Collateral Account" and "The Lead Borrowers U.S. LC Collateral Account". Each Credit Party shall deposit into the LC Collateral Accounts from time to time the Cash Collateral required to be deposited under Section 2.13(j) hereof.

(ii) The balance from time to time in such LC Collateral Accounts shall constitute part of the Collateral and shall not constitute payment of the Obligations until applied as hereinafter provided. Notwithstanding any other provision hereof

to the contrary, all amounts held in the LC Collateral Accounts shall constitute collateral security first for the liabilities in respect of Letters of Credit outstanding from time to time and second for the other Obligations hereunder until such time as all Letters of Credit shall have been terminated and all of the liabilities in respect of Letters of Credit have been paid in full. All funds in "The Lead Borrowers Canadian LC Collateral Account" and "The Lead Borrowers U.S. LC Collateral Account" may be invested in accordance with the provisions of Section 2.13(j).

(o) *Extended Commitments*. If the Maturity Date shall have occurred at a time when Extended Revolving Loan Commitments are in effect, then (i) such Letters of Credit shall automatically be deemed to have been issued (including for purposes of the obligations of the Lenders to purchase participations therein and to make payments in respect thereof pursuant to Section 2.13(d) and (e)) under (and ratably participated in by Lenders) the Extended Revolving Loan Commitments, up to an aggregate amount the Dollar Equivalent of which shall not exceed the aggregate principal amount of the unutilized Extended Revolving Loan Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to the immediately preceding clause (i), the Borrowers shall Cash Collateralize any such Letter of Credit in accordance with Section 2.13(j). Except to the extent of reallocations of participations pursuant to the prior sentence, the occurrence of the Maturity Date with respect to Existing Revolving Loans shall have no effect upon (and shall not diminish) the percentage participations of the Lenders of Extended Revolving Loans in any Letter of Credit issued before the Maturity Date.

Section 2.14. *Settlement Amongst Lenders.* (a) The Swingline Lender may, at any time (but, in any event shall, once every week), on behalf of the Lead Borrowers (which hereby authorize the Swingline Lender to act on its behalf in that regard) request the Administrative Agent to cause the Lenders to make a Revolving Loan (which shall be a U.S. Base Rate Loan or Canadian Prime Rate Loan, as applicable) in an amount equal to such Lender's Pro Rata Percentage of the Outstanding Amount of Swingline Loans, which request may be made regardless of whether the conditions set forth in Article 6 have been satisfied. Upon such request, each Lender shall make available to the Administrative Agent the proceeds of such Revolving Loan for the account of the Swingline Lender. If the Swingline Lender requires a Revolving Loan to be made by the Lenders and the request therefor is received prior to 1:00 p.m. New York City time on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. that day; and, if the request therefor is received after 1:00 p.m. New York City time, then no later than 3:00 p.m. on the next Business Day. The obligation of each such Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Administrative Agent or the Swingline Lender. If and to the extent any Lender shall not have so made its transfer to the Administrative Agent, such Lender agrees to pay to the Administrative Agent, forthwith on demand, such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate.

(b) The amount of each Lender's Pro Rata Percentage of outstanding Revolving

Loans (including outstanding Swingline Loans) shall be computed weekly (or more frequently in the Administrative Agent's discretion) and shall be adjusted upward or downward based on all Revolving Loans (including Swingline Loans), repayments of Revolving Loans (including Swingline Loans) received by the Administrative Agent as of 3:00 p.m. on the first Business Day (such date, the "**Settlement Date**") following the end of the period specified by the Administrative Agent, and the occurrence of any Revaluation Dates.

(c) The Administrative Agent shall deliver to each of the Lenders promptly after a Settlement Date a summary statement of the amount of outstanding Revolving Loans (including Swingline Loans) for the period and the amount of repayments received for the period. As reflected on the summary statement, (i) the Administrative Agent shall transfer to each Lender its applicable Pro Rata Percentage of repayments, and (ii) each Lender shall transfer to the Administrative Agent (as provided below) or the Administrative Agent shall transfer to each Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Revolving Loans made by each Lender with respect to Revolving Loans to the Borrowers (including Swingline Loans) shall be equal to such Lender's applicable Pro Rata Percentage of Revolving Loans (including Swingline Loans) outstanding as of such Settlement Date. If the summary statement requires transfers to be made to the Administrative Agent by the Lenders and is received prior to 1:00 p.m. New York City time on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. that day; and, if received after 1:00 p.m. New York City time, then no later than 3:00 p.m. on the next Business Day. The obligation of each Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Administrative Agent. If and to the extent any Lender shall not have so made its transfer to the Administrative Agent, such Lender agrees to pay to the Administrative Agent, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate.

Section 2.15. *Revolving Commitment Increase.*

(a) Subject to the terms and conditions set forth herein, after the Closing Date, the Lead Borrowers shall have the right to request, by written notice to the Administrative Agent, an increase in the Revolving Commitments (a "**Revolving Commitment Increase**") in an aggregate amount not to exceed $75,000,000 from one or more Lenders or prospective Lenders willing to provide such Revolving Commitment Increase in their own discretion; *provided* that any such prospective Lender shall be subject to the consent of the Administrative Agent, the Issuing Bank and the Swingline Lender (which consents shall not be unreasonably withheld) if such consents would be required in the case of an assignment to such prospective Lender pursuant to Section 12.04(b)(iii)(B) ; *provided* that (i) the Lead Borrowers shall only be permitted to request 3 Revolving Commitment Increases during the term of this Agreement, (ii) any Revolving Commitment Increase shall be in a minimum amount of $15,000,000 and (iii) in no event shall a Defaulting Lender be entitled to participate in such Revolving Commitment Increase.

(b) Each notice submitted pursuant to this Section 2.15 (a " **Revolving Commitment Increase Notice**") requesting a Revolving Commitment Increase shall specify the amount of the increase in the Revolving Commitments being requested. In the event that any Lender or other Person agrees to participate in any Revolving Commitment Increase (each an "**Increase Loan Lender**"), such Revolving Commitment Increase shall become effective on such date as shall be mutually agreed upon by the Increase Loan Lenders and the Lead Borrowers, which date shall be as soon as practicable after the date of receipt of the Revolving Commitment Increase Notice (such date, the "**Increase Date**"); *provided* that the establishment of such Revolving Commitment Increase shall be subject to the satisfaction of each of the following conditions: (1) no Default or Event of Default exists or would exist after giving effect thereto; (2) all representations and warranties in this Agreement shall be true and correct in all material respects (or in all respects to the extent that any representation is qualified by materiality), (3) the Revolving Commitment Increase shall be effected pursuant to one or more joinder agreements executed and delivered by the Lead Borrowers, the Administrative Agent, and the Increase Loan Lenders, each of which shall be reasonably satisfactory to the Lead Borrowers, the Administrative Agent, the Issuing Bank, the Swingline Lender and the Increase Loan Lenders; (4) Credit Parties shall execute and deliver or cause to be executed and delivered to the Administrative Agent such amendments to the Credit Documents, legal opinions and other documents as the Administrative Agent may reasonably request in connection with any such transaction, which amendments, legal opinions and other documents shall be reasonably satisfactory to the Administrative Agent; and (5) the Borrowers shall have paid to the Administrative Agent and the Lenders such additional fees as may be agreed to be paid by the Borrowers in connection therewith.

(c) On the Increase Date, upon fulfillment of the conditions set forth in this Section 2.15, (i) the Administrative Agent shall effect a settlement of all outstanding Revolving Loans among the Lenders that will reflect the adjustments to the Revolving Commitments of the Lenders as a result of the Revolving Commitment Increase, (ii) the Administrative Agent shall notify the Lenders and Credit Parties of the occurrence of the Revolving Commitment Increase to be effected on the Increase Date, (iii) Schedule 1.01(c) shall be deemed modified to reflect the revised Revolving Commitments of the affected Lenders and (iv) Notes will be issued, at the expense of the Borrowers, to any Lender participating in the Revolving Commitment Increase and requesting a Note.

(d) The terms and provisions of the Revolving Commitment Increase shall be identical to the Revolving Loans and the Revolving Commitments and, for purposes of this Agreement and the other Credit Documents, all Revolving Loans made under the Revolving Commitment Increase shall be deemed to be Revolving Loans; *provided*, *however* that notwithstanding the foregoing, upfront or similar fees, rate of interest and unused line fees applicable to the Revolving Commitment Increase may be different than the upfront or similar fees, rate of interest and/or unused line fees applicable to the existing Revolving Loans and the maturity date applicable for the Revolving Commitment Increase may be later than the maturity date applicable to the existing Revolving Loans. Without limiting the generality of the foregoing, (iv) the Revolving Commitment Increase shall share ratably

in any mandatory prepayments of the Revolving Loans, (v) after giving effect to such Revolving Commitment Increases, Revolving Commitments in respect of LC Exposure and Swingline Loans shall be reduced based on each Lender's Pro Rata Percentage, and (vi) the Revolving Commitment Increase shall rank *pari passu* in right of payment and security with the existing Revolving Loans. Each joinder agreement and any amendment to any Credit Document requested by the Administrative Agent in connection with the establishment of the Revolving Commitment Increase may, without the consent of any of the Lenders, effect such amendments to this Agreement (an "**Incremental Revolving Commitment Agreement**") and the other Credit Documents as may be reasonably necessary or appropriate, in the opinion of the Administrative Agent and the Lead Borrowers, to effect the provisions of this Section 2.15.

(e) With respect to any Revolving Commitment Increase consummated by a Borrower pursuant to this Section 2.15, (i) all Borrowings shall be funded pro rata amongst the existing Revolving Commitments and any Revolving Commitment Increases, (ii) (F) each Lender's Pro Rata Percentage of any unreimbursed LC Disbursement Section 2.13(e)shall be calculated pursuant to Section 2.13(e) after giving effect to any such Revolving Commitment Increase and (G) if the aggregate amount of all Revolving Commitment Increases having a later maturity date do not exceed the LC Commitment, the LC Commitment shall be reduced upon the date that is five (5) Business Days prior to the Maturity Date (to the extent needed so that the LC Commitment does not exceed the aggregate Revolving Commitment which would be in effect after the Maturity Date) and, if applicable, the Borrowers shall Cash Collateralize obligations under any issued Letters of Credit in an amount equal to 102% of the stated amount of such Letters of Credit and (iii) (A) each Lender's Pro Rata Percentage of any Swingline Loan shall be calculated according to Section 2.12(d) after giving effect to any such Revolving Commitment Increase and (B) if the aggregate amount of all Revolving Commitment Increases having a later maturity date do not exceed the Swingline Commitment, the Swingline Commitment shall be reduced upon the date that is five (5) Business Days prior to the Maturity Date (to the extent needed so that the Swingline Commitment does not exceed the aggregate Revolving Commitment which would be in effect after the Maturity Date) and, if applicable, the Borrowers shall prepay any outstanding Swingline Loans.

Section 2.16. *Lead Borrowers*. Each U.S. Borrower hereby designates the Lead U.S. Borrower as its representative and agent and each Canadian Borrower hereby designates the Lead Canadian Borrower as its representative and agent, in each case for all purposes under the Credit Documents, including requests for Revolving Loans and Letters of Credit, designation of interest rates, delivery or receipt of communications, preparation and delivery of Borrowing Base and financial reports, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Credit Documents (including in respect of compliance with covenants), and all other dealings with the Administrative Agent, the Issuing Bank or any Lender. The Lead Borrowers each hereby accept such appointment. The Administrative Agent and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any Notice of Borrowing) delivered by the applicable Lead Borrower on behalf

of any Borrower. The Administrative Agent and the Lenders may give any notice or communication with a Borrower hereunder to the applicable Lead Borrower on behalf of such Borrower. Each of the Administrative Agent, the Issuing Bank and the Lenders shall have the right, in its discretion, to deal exclusively with the Lead Borrowers for any or all purposes under the Credit Documents. Each Borrower agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by the applicable Lead Borrower shall be binding upon and enforceable against it.

Section 2.17. *Overadvances*. If the Aggregate Exposure outstanding exceeds the Line Cap (an "**Overadvance**") at any time, the excess amount shall be payable by the Borrowers on demand by the Administrative Agent, but all such Revolving Loans shall nevertheless constitute Obligations secured by the Collateral and entitled to all benefits of the Credit Documents. The Administrative Agent may require the Lenders to honor requests for Overadvance Loans and to forbear from requiring the Borrowers to cure an Overadvance, (a) when no other Event of Default is known to the Administrative Agent, as long as (v) the Overadvance does not continue for more than 30 consecutive days (and no Overadvance may exist for at least five (5) consecutive days thereafter before further Overadvance Loans are required) and (vi) the aggregate amount of all Overadvances and Protective Advances is not known by the Administrative Agent to exceed 10% of the Borrowing Base, (b) regardless of whether an Event of Default exists, if the Administrative Agent discovers an Overadvance not previously known by it to exist, as long as from the date of such discovery the Overadvance (vii) is not increased by more than $1,000,000, and (viii) does not continue for more than 30 consecutive days. In no event shall Overadvance Loans be required that would cause the aggregate outstanding Revolving Loans and LC Obligations to exceed the aggregate Revolving Commitments. The making of any Overadvance shall not create nor constitute a Default or Event of Default; it being understood that the making or continuance of an Overadvance shall not constitute a waiver by the Administrative Agent or the Lenders of the then existing Event of Default. In no event shall any Borrower or other Credit Party be permitted to require any Overadvance Loan to be made.

Section 2.18. *Protective Advances*. The Administrative Agent shall be authorized, in its discretion, following notice to and consultation with the Lead Borrowers, at any time, to make U.S. Base Rate Loans or Canadian Prime Rate Loans ("**Protective Advances**") (a) in an aggregate amount, together with the aggregate amount of all Overadvance Loans, the Dollar Equivalent of which shall not exceed 10% of the Borrowing Base, if the Administrative Agent deems such Protective Advances necessary or desirable to preserve and protect the Collateral, or to enhance the collectability or repayment of the Obligations; or (b) to pay any other amounts chargeable to Credit Parties under any Credit Documents, including costs, fees and expenses; *provided* that, the aggregate amount of outstanding Protective Advances *plus* the outstanding amount of Revolving Loans and LC Obligations shall not exceed the aggregate Revolving Commitments. Each Lender shall participate in each Protective Advance in accordance with its Pro Rata Percentage. Required Lenders may at any time revoke the Administrative Agent's authority to make further Protective Advances under clause (a) by written notice to the Administrative Agent. Absent such revocation, the Administrative Agent's determination that funding of a Protective Advance

is appropriate shall be conclusive. The Administrative Agent may use the proceeds of such Protective Advances to (a) protect, insure, maintain or realize upon any Collateral; or (b) defend or maintain the validity or priority of the Administrative Agent's Liens in any Collateral, including any payment of a judgment, insurance premium, warehouse charge, finishing or processing charge, or landlord claim, or any discharge of a Lien; *provided* that the Administrative Agent shall use reasonable efforts to notify the Lead Borrowers after paying any such amount or taking any such action and shall not make payment of any item that is being Properly Contested.

Section 2.19. *Extended Loans*. (a) Notwithstanding anything to the contrary in this Agreement, subject to the terms of this Section 2.19, the Lead Borrowers may at any time and from time to time when no Event of Default then exists request that all or a portion of the Revolving Loans (the "**Existing Revolving Loans**"), together with any related outstandings, be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or any portion of the principal amount (and related outstandings) of such Revolving Loans (any such Revolving Loans which have been so converted, "**Extended Revolving Loans**") and to provide for other terms consistent with this Section 2.19. In order to establish any Extended Revolving Loans, the applicable Lead Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders) (each, an "**Extension Request**") setting forth the proposed terms of the Extended Revolving Loans to be established, which shall (x) be identical as offered to each Lender (including as to the proposed interest rates and fees payable) and (y) be identical to the Existing Revolving Loans, except that: (iv) repayments of principal of the Extended Revolving Loans may be delayed to later dates than the Maturity Date; (v) the Effective Yield with respect to the Extended Revolving Loans (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the Effective Yield for the Existing Revolving Loans to the extent provided in the applicable Extension Amendment; and (vi) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Revolving Loans); *provided*, *however*, that (A) in no event shall the final maturity date of any Extended Revolving Loans at the time of establishment thereof be earlier than the then Maturity Date of any other Revolving Loans hereunder and (B) the Weighted Average Life to Maturity of any Extended Revolving Loans at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of any other Revolving Loans then outstanding. Any Extended Revolving Loans converted pursuant to any Extension Request shall be designated a series (each, an "**Extension Series**") of Extended Revolving Loans, as applicable, for all purposes of this Agreement; *provided* that any Extended Revolving Loans converted from Existing Revolving Loans may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Extension Series with respect to such Revolving Loans.

(b) With respect to any Extended Revolving Loans, subject to the provisions of Sections 2.12(e) and 2.13(o), to the extent dealing with Swingline Loans and Letters of Credit which mature or expire after the Maturity Date, all Swingline Loans and Letters of

Credit shall be participated in on a pro rata basis by all Lenders with Revolving Loan Commitments and/or Extended Revolving Loan Commitments in accordance with their Pro Rata Share of the Aggregate Commitments (and, except as provided in Sections 2.12(e) and 2.13(o), without giving effect to changes thereto on the Maturity Date with respect to Swingline Loans and Letters of Credit theretofore incurred or issued) and all borrowings under the Aggregate Commitments and repayments thereunder shall be made on a pro rata basis (except for (x) payments of interest and fees at different rates on Extended Revolving Loan Commitments (and related outstandings) and (y) repayments required upon any Maturity Date of any Revolving Commitments or Extended Revolving Loan Commitments).

(c) The applicable Lead Borrower shall provide the applicable Extension Request at least ten (10) Business Days prior to the date on which Lenders under the Existing Revolving Loans, are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.19. No Lender shall have any obligation to agree to have any of its Existing Revolving Loans converted into Extended Revolving Loans pursuant to any Extension Request. Any Lender (each, an "**Extending Lender**") wishing to have all or a portion of its Existing Revolving Loans subject to such Extension Request converted into Extended Revolving Loans shall notify the Administrative Agent (each, an "**Extension Election**") on or prior to the date specified in such Extension Request of the amount of its Existing Revolving Loans which it has elected to request be converted into Extended Revolving Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). Any Lender that does not respond to the Extension Request on or prior to the date specified therein shall be deemed to have rejected such Extension. In the event that the aggregate principal amount of Existing Revolving Loans subject to Extension Elections relating to a particular Extension Request exceeds the amount of Extended Revolving Loans requested pursuant to such Extension Request, Revolving Loans subject to such Extension Elections shall be converted to Extended Revolving Loans, on a pro rata basis based on the aggregate principal amount of Revolving Loans included in each such Extension Elections or to the extent such option is expressly set forth in the respective Extension Request, the Lead Borrowers shall have the option to increase the amount of Extended Revolving Loans so that such excess does not exist.

(d) Extended Revolving Loans shall be established pursuant to an amendment (each, an " **Extension Amendment**") to this Agreement among the Borrowers, the Administrative Agent and each Extending Lender providing Extended Revolving Loans thereunder which shall be consistent with the provisions set forth in Section 2.19(a) above (but which shall not require the consent of any other Lender). The Administrative Agent shall promptly notify each relevant Lender as to the effectiveness of each Extension Amendment.

(e) With respect to any Extension consummated by a Borrower pursuant to this Section 2.19, (i) such Extension shall not constitute voluntary or mandatory payments or prepayments for purposes of this Agreement, (ii) with respect to Extended Revolving Loan

Commitments, if the aggregate amount extended is less than (C) the LC Commitment, the LC Commitment shall be reduced upon the date that is five (5) Business Days prior to the Maturity Date (to the extent needed so that the LC Commitment does not exceed the aggregate Revolving Commitment which would be in effect after the Maturity Date, and, if applicable, the Borrowers shall Cash Collateralize obligations under any issued Letters of Credit in an amount equal to 102% of the stated amount of such Letters of Credit, or (D) the Swingline Commitment, the Swingline Commitment shall be reduced upon the date that is five (5) Business Days prior to the Maturity Date (to the extent needed so that the Swingline Commitment does not exceed the aggregate Revolving Commitment which would be in effect after the Maturity Date, and, if applicable, the Borrowers shall prepay any outstanding Swingline Loans. The Administrative Agent and the Lenders hereby consent to each Extension and the other transactions contemplated by this Section 2.19 (including, for the avoidance of doubt, payment of any interest or fees in respect of any Extended Revolving Loan Commitments on such terms as may be set forth in the Extension Request) and hereby waive the requirements of any provision of this Credit Agreement or any other Credit Document that may otherwise prohibit any Extension or any other transaction contemplated by this Section 2.19, *provided* that such consent shall not be deemed to be an acceptance of the Extension Request.

(f) Each of the parties hereto hereby agrees that this Agreement and the other Credit Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (iii) reflect the existence and terms of any Extended Revolving Loans incurred pursuant thereto, (iv) establish new tranches or sub-tranches in respect of Revolving Loan Commitments so extended and such technical amendments as may be necessary in connection with the establishment of such new tranches or sub-tranches, in each case on terms consistent with this Section 2.19, and (v) effect such other amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Lead Borrowers, to effect the provisions of this Section, and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Extension Amendment. Notwithstanding the foregoing, the Administrative Agent shall have the right (but not the obligation) to seek the advice or concurrence of the Required Lenders with respect to any matter contemplated by this Section 2.19 and, if the Administrative Agent seeks such advice or concurrence, the Administrative Agent shall be permitted to enter into such amendments with the Borrowers in accordance with any instructions actually received by such Required Lenders and shall also be entitled to refrain from entering into such amendments with the Borrowers unless and until it shall have received such advice or concurrence; *provided*, *however*, that whether or not there has been a request by the Administrative Agent for any such advice or concurrence, all such amendments entered into with the Borrowers by the Administrative Agent hereunder shall be binding and conclusive on the Lenders. Without limiting the foregoing, in connection with any Extension, the applicable Credit Parties shall (at their expense) amend (and the Administrative Agent is hereby directed to amend) any Mortgage that has a maturity date prior to the Latest Maturity Date so that such maturity date is extended to the Latest Maturity Date (or such later date as may be advised by local counsel to the Administrative Agent),

to the extent required pursuant to applicable local law.

Section 2.20. *Canadian Interest Considerations.* The parties hereto intend to comply with applicable law relating to usury. Notwithstanding any other provision of this Agreement or any other Credit Document, in no event shall any Credit Document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by applicable law or in an amount or at a rate that would result in the receipt by the Lender or the Agents of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). Where more than one applicable law applies to the Credit Parties, the Credit Parties shall not be obliged to make payment in an amount or at a rate higher than the lowest permitted amount or rate. If from any circumstance whatever, fulfilment of any provision of any Credit Document would result in exceeding the highest rate or amount permitted by applicable law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount. If from any circumstance the Agents or the Lenders shall ever receive anything of value as interest or deemed interest under any Credit Document that would result in exceeding the highest lawful rate or amount of interest permitted by applicable law, the amount that would be excessive interest shall be applied to the reduction of the principal amount of the relevant Loan, and not to the payment of interest, or if the excessive interest exceeds the unpaid principal balance of the relevant Loan, the amount exceeding the unpaid balance shall be refunded to the Credit Parties. In determining whether or not the interest paid or payable under any specified contingency exceeds the highest lawful rate, the Credit Parties, the Agents and the Lenders shall, to the maximum extent permitted by applicable law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and their effects, (iii) amortize, prorate, allocate and spread the total amount of interest throughout the term of the applicable Loan so that interest does not exceed the maximum amount permitted by applicable law, and/or (iv) allocate interest between portions of the Obligations to the end that no portion shall bear interest at a rate greater than that permitted by applicable law. For the purposes of the *Criminal Code* (Canada), if there is any dispute as to the calculation of the effective annual rate of interest, the determination of a Fellow of the Canadian Institute of Actuaries appointed by the Agents shall be conclusive.

ARTICLE 3
YIELD PROTECTION, ILLEGALITY AND REPLACEMENT OF LENDERS

Section 3.01. *Increased Costs Generally*. (g) If any Change in Law shall:

(v) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBO Rate) or any Issuing Bank;

(vi) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Taxes described in clauses (a) through (d) of the definition of Excluded

Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(vii) impose on any Lender or any Issuing Bank or the London interbank market or the Canadian interbank market for Canadian Dollar bankers' acceptances any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, Issuing Bank or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, Issuing Bank or other Recipient, the Borrower will pay to such Lender, Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, Issuing Bank or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(h) Capital Requirements. If any Lender or Issuing Bank determines that any Change in Law affecting such Lender or Issuing Bank or any Lending Office of such Lender or such Lender's or Issuing Bank's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by any Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(i) Certificates for Reimbursement. A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(j) Delay in Requests. Failure or delay on the part of any Lender or Issuing Bank

to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; *provided* that the Borrowers shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.02. *Illegality.* (i) If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the LIBO Rate or CDOR Rate, or to determine or charge interest rates based upon the LIBO Rate or CDOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of U.S. Dollars in the London interbank market or Canadian Dollars in the Canadian interbank market for Canadian Dollar bankers' acceptances, then, on notice thereof by such Lender to the Lead Borrowers through the Administrative Agent, (i) any obligation of such Lender to make or continue LIBO Rate Loans or CDOR Loans (as applicable) or to convert, as applicable U.S. Base Rate Loans to LIBO Rate Loans or Canadian Prime Rate Loans to CDOR Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining U.S. Base Rate Loans or Canadian Prime Rate Loans (as applicable) the interest rate on which is determined by reference to the LIBO Rate component of the U.S. Base Rate or the CDOR Rate component of the Canadian Prime Rate, the interest rate on which U.S. Base Rate Loans or Canadian Prime Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBO Rate component of the U.S. Base Rate or CDOR Rate component of the Canadian Prime Rate (as applicable), in each case until such Lender notifies the Administrative Agent and the Lead Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all LIBO Rate Loans or CDOR Loans (as applicable) of such Lender to U.S. Base Rate Loans or Canadian Prime Rate Loans (the interest rate on which U.S. Base Rate Loans or CDOR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the LIBO Rate component of the U.S. Base Rate or the CDOR Rate component of the Canadian Prime Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBO Rate Loans or CDOR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBO Rate Loans or CDOR Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the LIBO Rate or CDOR Rate, the Administrative Agent shall during the period of such suspension compute, as applicable, the U.S. Base Rate or Canadian Prime Rate applicable to such Lender without reference to the LIBO Rate component or CDOR Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for

such Lender to determine or charge interest rates based upon the LIBO Rate or CDOR Rate. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

(j) Any Lender may at its option may make any Credit Extension to any Borrower by causing any domestic or foreign branch or Affiliate of such Lender to make such Credit Extension; provided that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Credit Extension in accordance with the terms of this Agreement; provided, however, if the Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to issue, make, maintain, fund or any interest rate with respect to any Credit Extension to any Borrower who is organized under the laws of a jurisdiction other than the United States, a state thereof or the District of Columbia then, on notice thereof by such Lender to the Parent, and until such notice by such Lender is revoked, any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension shall be suspended. Upon receipt of such notice, the Credit Parties shall, take all reasonable actions requested by such Lender to mitigate or avoid such illegality.

Section 3.03. *Compensation*. Each Borrower, jointly and severally, agrees to compensate each Lender, upon its written request (which request shall set forth in reasonable detail the basis for requesting such compensation and the calculation of the amount of such compensation), for all losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its LIBO Rate Loans or CDOR Loans but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of, or conversion from or into, LIBO Rate Loans or CDOR Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation (whether or not withdrawn by the applicable Borrower or deemed withdrawn pursuant to Section 3.01(a)); (ii) if any prepayment or repayment (including any termination or reduction of Commitments made pursuant to Section 2.07 or as a result of an acceleration of the Loans pursuant to Article 10) or conversion of any of its LIBO Rate Loans or CDOR Loans occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any prepayment of any LIBO Rate Loans or CDOR Loans is not made on any date specified in a notice of termination or reduction given by a Lead Borrower; or (iv) as a consequence of (x) any other default by any Borrower to repay its LIBO Rate Loans or CDOR Loans when required by the terms of this Agreement or any Note held by such Lender or (y) any election made pursuant to Section 3.01(b).

Section 3.04. *Change of Lending Office and Replacement of Lenders* .

(e) If any Lender requests compensation under Section 3.01, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.01, then such Lender shall (at the request of any Borrower) use reasonable efforts to designate a different

Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or Section 4.01, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(f) If any Lender requests compensation under Section 3.01 or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.01 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 3.04(a), the Borrowers may replace such Lender in accordance with Section 12.19.

Section 3.05. *[Reserved]*.

Section 3.06. *Inability to Determine Rates*. If the Required Lenders determine in good faith that for any reason (d) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such LIBO Rate Loan, (e) Canadian Dollar deposits are not being offered to banks in the Canadian interbank market for Canadian Dollar bankers' acceptances for the applicable amount and Interest Period of such CDOR Loan, (f) adequate and reasonable means do not exist for determining the LIBO Rate or CDOR Loan for any requested Interest Period with respect to a proposed LIBO Rate Loan or CDOR Loan, or (g) that LIBO Rate or CDOR Loan for any requested Interest Period with respect to a proposed LIBO Rate Loan or CDOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Lead Borrowers and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain LIBO Rate Loans or CDOR Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the LIBO Rate or CDOR Rate component of the U.S. Base Rate or Canadian Prime Rate, the utilization of the LIBO Rate or CDOR Rate component in determining the U.S. Base Rate or Canadian Prime Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the applicable Lead Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBO Rate Loans or CDOR Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of LIBO Rate Loans or CDOR Loans in the amount specified therein.

ARTICLE 4
TAXES

Section 4.01. *Net Payments.* (k) All payments made by or on account of any Credit Party under any Credit Document shall be made free and clear of, and without deduction or withholding for, any Taxes, except as required by applicable law (as determined in the good-

faith discretion of the withholding agent). If any Indemnified Taxes or Other Taxes are required to be withheld or deducted from such payments, then the Credit Parties jointly and severally agree that (i) to the extent such deduction or withholding is on account of an Indemnified Tax or Other Tax, the sum payable by the Credit Parties shall be increased as necessary so that after making all required deductions or withholding (including deduction or withholdings applicable to additional sums payable under this Section 4.01), the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the applicable withholding agent will make such deductions or withholdings, and (iii) the applicable withholding agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. In addition, the Credit Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law. As soon as practicable after any payment of Indemnified Taxes or Other Taxes to a Governmental Authority, the Credit Parties will furnish to the Administrative Agent certified copies of tax receipts evidencing such payment by the applicable Credit Party, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. The Credit Parties jointly and severally agree to indemnify and hold harmless the Administrative Agent and each Lender, and reimburse the Administrative Agent and each Lender, within ten (10) days of written request therefor, for the amount of any Indemnified Taxes (including any Indemnified Taxes imposed on amounts payable under this Section 4.01) payable or paid by the Administrative Agent or such Lender or required to be withheld or deducted from a payment to the Administrative Agent or such Lender, and any Other Taxes, and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(l) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Parent and the Administrative Agent, at the time or times reasonably requested by the Parent or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Parent or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or a reduce rate of, withholding Tax. In addition, each Lender shall deliver to the Parent and the Administrative Agent, at the time or times reasonably requested by the Parent or the Administrative Agent, such other documentation prescribed by applicable law or reasonably requested by the Parent or the Administrative Agent as will enable the Parent or the Administrative Agent to determine whether such Lender is subject to backup withholding or information reporting requirements. Each Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documents required below in Section 4.01(c)) expired, obsolete or inaccurate in any respect, deliver promptly to the Parent and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the

Parent or the Administrative Agent) or promptly notify the Parent and the Administrative Agent in writing of its inability to do so.

(m) Without limiting the generality of the foregoing: (x) Each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Parent and the Administrative Agent on or prior to the Closing Date or, in the case of a Lender that is a Lender to the Parent and that is an assignee or transferee of an interest under this Agreement pursuant to Section 12.04 or Section 12.19 (unless the relevant Lender was already a Lender hereunder immediately prior to such assignment or transfer), on the date of such assignment or transfer to such Lender, (i) two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party or Form W-8ECI (or successor form), or (ii) in the case of a Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," a certificate substantially in the form of Exhibit C (any such certificate, a "**U.S. Tax Compliance Certificate**") and two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) certifying to such Lender's entitlement as of such date to a complete exemption from U.S. withholding tax with respect to payments of interest to be made under this Agreement and under any Note; or (iii) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership or a participating Lender), two accurate and complete original signed copies of Internal Revenue Service Form W-8IMY (or successor form) of the Lender, accompanied by Form W-8ECI, Form W-8BEN, U.S. Tax Compliance Certificate, Form W-8IMY, and/or any other required information (or successor or other applicable form) from each beneficial owner that would be required under this Section 4.01(c) if such beneficial owner were a Lender (*provided* that, if the Lender is a partnership for U.S. federal income Tax purposes (and not a participating Lender), and one or more beneficial owners are claiming the portfolio interest exemption), the U.S. Tax Compliance Certificate may be provided by such Lender on behalf of such beneficial owners); (y) Each Lender to the Parent that is a United States person, as defined in Section 7701(a)(30) of the Code, shall deliver to the Parent and the Administrative Agent, at the times specified in Section 4.01(b), two accurate and complete original signed copies of Internal Revenue Service Form W-9, or any successor form that such Person is entitled to provide at such time, in order to qualify for an exemption from U.S. federal backup withholding requirements; and (z) if any payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Parent and the Administrative Agent, at the time or times prescribed by applicable law and at such time or times reasonably requested by the Parent or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Parent or the Administrative Agent as may be necessary for the Parent or the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA or to determine, if necessary, the amount to deduct and

withhold from such payment. Solely for purposes of this Section 4.01(c)(z), "**FATCA**" shall include any amendment made to FATCA after the Closing Date.

Notwithstanding any other provision of this Section 4.01, a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

(n) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Credit Parties or with respect to which a Credit Party has paid additional amounts pursuant to Section 4.01(a), it shall pay to the relevant Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under Section 4.01(a) with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including any Taxes) of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the relevant Credit Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Credit Party (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 4.04(d), in no event will the Administrative Agent or any Lender be required to pay any amount to any Credit Party pursuant to this Section 4.04(d) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than such party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 4.04(d) shall not be construed to require any Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or any other Person.

(o) For the avoidance of doubt, for purposes of Section 4.01, the term " **Lender**" shall include any Issuing Bank.

(p) Each party's obligations under this Section 4.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

ARTICLE 5
CONDITIONS PRECEDENT TO CREDIT EVENTS ON THE CLOSING DATE

The obligation of each Lender and Issuing Bank to make Loans or issue a Letter of Credit on the Closing Date, is subject at the time of the making of such Loans or issuance of such Letter of Credit to the satisfaction or waiver of the following conditions:

Section 5.01. *Closing Date; Credit Documents; Notes* . On or prior to the Closing Date, the Parent, each Borrower, the Administrative Agent and each of the Lenders on the date hereof shall have signed a counterpart of this Agreement in form and substance satisfactory to each Lender and the Administrative Agent (whether the same or different counterparts) and shall have delivered (by electronic transmission or otherwise) the same to the Administrative Agent.

Section 5.02. *Officer's Certificate*. On the Closing Date, the Administrative Agent shall have received a certificate, dated the Closing Date and signed on behalf of the Parent (and not in any individual capacity) by a Responsible Officer of the Parent, certifying on behalf of the Parent that all of the conditions in Sections 5.06, 5.07 and 5.14 have been satisfied on such date.

Section 5.03. *Opinions of Counsel*. On the Closing Date, the Administrative Agent shall have received an opinion addressed to the Administrative Agent and each of the Lenders and dated the Closing Date in form and substance reasonably satisfactory to the Administrative Agent from (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, special counsel to the Credit Parties, (ii) Stikeman Elliott LLP, special Canadian counsel to the Credit Parties and (iii) local counsel to the Credit Parties reasonably satisfactory to the Administrative Agent practicing in those jurisdictions in which the Credit Parties are organized (if organized other than under the laws of Delaware and New York).

Section 5.04. *Corporate Documents; Proceedings, etc.* (h) On the Closing Date, the Administrative Agent shall have received a certificate from each Credit Party, dated the Closing Date, signed by a Responsible Officer of such Credit Party, and attested to by the Secretary or any Assistant Secretary of such Credit Party, in the form of Exhibit E with appropriate insertions, together with copies of the certificate or articles of incorporation and by-laws (or equivalent organizational documents), as applicable, of such Credit Party and the resolutions of such Credit Party referred to in such certificate, and each of the foregoing shall be in form and substance reasonably satisfactory to the Administrative Agent.

(i) On the Closing Date, the Administrative Agent shall have received good standing certificates and bring-down telegrams or facsimiles, if any, or equivalents, for the Credit Parties which the Administrative Agent or either Joint Lead Arranger reasonably may have requested, certified by proper governmental authorities.

Section 5.05. *Termination of Existing Credit Agreement* . The Parent and its Subsidiaries shall have repaid in full all Indebtedness outstanding under the Existing Credit Agreement, together with all accrued but unpaid interest, fees and other amounts owing thereunder (other than contingent indemnification obligations not yet due and payable and Existing Letters of Credit rolled over on the Closing Date pursuant to the terms of this Agreement) and (i) all commitments to lend or make other extensions of credit thereunder shall have been terminated and (ii) all security interests and hypothecs in respect of, and Liens securing, the Indebtedness and other obligations thereunder created pursuant to the security documentation relating thereto shall have been terminated and released (or arrangements therefor reasonably satisfactory to the Administrative Agent shall have been

made), and the Administrative Agent shall have received all such releases as may have been reasonably requested by the Administrative Agent, which releases shall be in form and substance reasonably satisfactory to Administrative Agent, including, without limiting the foregoing, (a) proper termination statements (Form UCC-3 or the appropriate equivalent) and discharges for filing under the UCC, the PPSA or equivalent statute or regulation of each jurisdiction where a financing statement or application for registration (Form UCC-1 or the appropriate equivalent) was filed with respect to the Parent or any of its Subsidiaries in connection with the security interests created with respect to the Existing Credit Agreement and (b) terminations or reassignments of any security interest in, or Lien on, any patents, trademarks or copyrights of the Parent or any of its Subsidiaries solely to the extent that such security interests or Liens are granted pursuant to the Existing Credit Agreement and the Parent and its Subsidiaries shall have made arrangements reasonably satisfactory to the Administrative Agent for the cancellation of any Existing Letters of Credit outstanding thereunder that are not rolling over on the Closing Date pursuant to the terms of this Agreement (if any).

Section 5.06. *Consummation of the Acquisition.* (e) Substantially concurrently with the occurrence of the Closing Date, the Acquisition shall have been consummated pursuant to, and in accordance with, the terms and conditions of the Acquisition Agreement.

(f) On the Closing Date, (x) the Administrative Agent shall have received true and correct copies of all material Acquisition Documents, certified as such by an appropriate officer of the Parent, and (y) the Acquisition Agreement (including all schedules and exhibits thereto) shall be in full force and effect.

Section 5.07. *Company Material Adverse Effect*. Since October 31, 2013, there shall not have occurred a Company Material Adverse Effect.

Section 5.08. *Pledge Agreements*. On the Closing Date, each Credit Party (as applicable) shall have duly authorized, executed and delivered, as applicable, the U.S. Pledge Agreement and the Canadian Pledge Agreement substantially in the form of Exhibits F-1 and F-2 (respectively) (together, as each may be amended, modified, restated and/or supplemented from time to time, the "**Pledge Agreements**") and shall have delivered to the Collateral Agent, as Pledgee thereunder, all of the Pledge Agreement Collateral (in the case of Equity Interests), if any, referred to therein and then owned by such Credit Party together with executed and undated endorsements for transfer in the case of Equity Interests constituting certificated Pledge Agreement Collateral, along with evidence that all other actions necessary, to perfect (to the extent required in the Pledge Agreements) the security interests in Equity Interests purported to be created by the Pledge Agreements have been taken.

Section 5.09. *Security Agreements*. (f) On the Closing Date, each Credit Party shall have duly authorized, executed and delivered, as applicable, the U.S. Security Agreement covering all of such Credit Party's present and future Collateral referred to therein, and shall have delivered:

(vii) proper financing statements (Form UCC-1 or the equivalent) authorized for filing under the UCC or other appropriate filing offices of each jurisdiction as may be reasonably necessary or desirable to perfect the security interests purported to be created by the U.S. Security Agreement; and

(viii) certified copies, each of a recent date, of (x) requests for information or copies (Form UCC-1), or equivalent reports as of a recent date, listing all effective financing statements that name the Parent, a Borrower or any other Credit Party as debtor and that are filed in the jurisdictions referred to in clause (i) above, together with copies of such other financing statements that name the Parent, a Borrower or any other Credit Party as debtor (none of which shall cover any of the Collateral except to the extent evidencing Permitted Liens, (y) United States Patent and Trademark Office and the United States Copyright Office searches reasonably requested by the Administrative Agent and (z) reports as of a recent date listing all effective tax and judgment liens with respect to the Parent, the Lead Borrowers or any other Credit Party in each jurisdiction as the Agents may reasonably require.

(g) On the Closing Date, each Credit Party, as applicable, shall have duly authorized, executed and delivered the Canadian Security Agreement covering all of such Credit Party's present and future Collateral referred to therein, and shall have delivered:

(ix) RPMRR registrations and PPSA financing statements filed under the PPSA of each jurisdiction or other appropriate filing offices as may be reasonably necessary or desirable to perfect the security interests purported to be created by the Canadian Security Agreement; and

(x) certified copies, each of a recent date, of (x) RPMRR, PPSA, Bank Act (Canada), or equivalent reports as of a recent date, listing all effective financing statements or other registrations that name the Parent, a Borrower or any other Credit Party as debtor and that are filed in the jurisdictions referred to in clause (i) above, together with copies of such other financing statements or other registrations that name the Parent, a Borrower or any other Credit Party as debtor (none of which shall cover any of the Collateral except to the extent evidencing Permitted Liens, (y) Canadian Intellectual Property Office searches reasonably requested by the Administrative Agent and (z) reports as of a recent date listing all effective executions, writs and judgment liens with respect to the Borrower or any other Credit Party in each jurisdiction as the Agents may reasonably require.

Section 5.10. *Guaranty*. On the Closing Date, the Parent, each Borrower and each Subsidiary Guarantor shall have duly authorized, executed and delivered the Guaranty substantially in the form of Exhibit H (as amended, amended and restated, modified or supplemented from time to time, the "**Guaranty**"), guaranteeing all of the obligations of the Borrowers as more fully provided therein.

Section 5.11. *Financial Statements; Pro Forma Balance Sheets; Projections*. On

or prior to the Closing Date, the Agents and the Lenders shall have received (iii) the audited consolidated balance sheets and related consolidated statements of operations, cash flows and shareholders' equity for the Parent for the three most recently completed fiscal years of the Parent, ended at least 90 days before the Closing Date; (iv) the unaudited consolidated balance sheets and related statements of operations and cash flows of the Parent for each subsequent fiscal quarter of the Parent (other than the fourth fiscal quarter), ended at least 45 days before the Closing Date and (v) pro forma consolidated balance sheet and related statement of operations of the Parent and its Subsidiaries (including the Acquired Business as of and for the twelve months ending December 31, 2013 as reflected in the Financial Statements (as defined in the Acquisition Agreement)) as of and for the twelve-month period ending with the latest quarterly period of the Parent covered by the financial statements referred to in clause (ii), all of which shall be prepared in accordance with IFRS.

Section 5.12. *Solvency Certificate*. On the Closing Date, the Administrative Agent shall have received a solvency certificate from the chief financial officer of the Parent substantially in the form of Exhibit I.

Section 5.13. *Fees, etc*. On the Closing Date, the Parent or the Lead Borrowers shall have paid to the Agents and each Lender all costs, fees and expenses (including, without limitation, legal fees and expenses to the extent invoiced at least two (2) Business Days prior the Closing Date) and other compensation payable to the Agents or such Lender or otherwise payable in respect of the Transaction to the extent then due.

Section 5.14. *Closing Date Representation and Warranties* . All Acquisition Agreement Representations shall be true and correct in all material respects on the Closing Date, and all Specified Representations made by any Credit Party shall be true and correct in all material respects on the Closing Date (in each case, any representation or warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on the Closing Date).

Section 5.15. *Patriot Act and Canadian AML Acts* . The Agent shall have received from the Credit Parties, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Canadian AML Acts, in each case to the extent requested in writing at least ten (10) days prior to the Closing Date.

Section 5.16. *Borrowing Notice*. Prior to the making of a Revolving Loan on the Closing Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.02(c).

Section 5.17. *Inventory Appraisal/Borrowing Base Certificate* . The Lead Borrowers shall have (a) used commercially reasonable efforts to deliver to the Administrative Agent a satisfactory (i) field exam and inventory appraisal from an appraiser reasonably acceptable to the Administrative Agent and (ii) a Borrowing Base Certificate in form and substance reasonably satisfactory to the Administrative Agent or (b) delivered to the Administrative Agent an Interim Borrowing Base Certificate. In the event such field

exam, inventory appraisal and Borrowing Base Certificate referred to in clause (a) of the preceding sentence are not delivered prior to the Closing Date, such field exam, inventory appraisal and Borrowing Base Certificate shall be delivered on or prior to the 90th day following the Closing Date.

Each of the requirements set forth in Sections 5.08 and 5.09 above (except (i) to the extent that a Lien on such Collateral may under applicable law be perfected upon closing by the filing of financing statements (or other local equivalent) under the Uniform Commercial Code or the PPSA and (ii) the delivery of stock certificates of the Parent and its Wholly-Owned Domestic Subsidiaries (including Guarantors but other than Immaterial Subsidiaries) to the extent included in the Collateral, with respect to which a Lien may be perfected upon closing by the delivery of a stock certificate) shall not constitute conditions precedent to any Credit Events on the Closing Date after the Parent's use of commercially reasonable efforts to satisfy such requirements without undue burden or expense, to provide such items on or prior to the Closing Date if the Parent agrees to deliver, or cause to be delivered, such documents and instruments, or take or cause to be taken such other actions as may be required to perfect such security interests within ninety (90) days after the Closing Date (subject to extensions approved by the Administrative Agent in its reasonable discretion).

Without limiting the generality of the provisions of the last paragraph of Section 11.03, for purposes of determining compliance with the conditions specified in this Article 5, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

ARTICLE 6
CONDITIONS PRECEDENT TO ALL CREDIT EVENTS AFTER THE CLOSING DATE

The obligation of each Lender and each Issuing Bank to make any Credit Extension (including the initial Credit Extension) shall be subject to the satisfaction (or waiver) of each of the conditions precedent set forth below:

Section 6.01. *Notice of Borrowing*. The Administrative Agent shall have received a Notice of Borrowing as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03) if Loans are being requested or, in the case of the issuance, extension or renewal of a Letter of Credit, the Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance, extension or renewal of such Letter of Credit as required by Section 2.13(b) or, in the case of the Borrowing of a Swingline Loan, the Swingline Lender and the Administrative Agent shall have received a notice requesting such Swingline Loan as required by Section 2.12(b).

Section 6.02. *Availability*. Availability on the proposed date of such Borrowing shall be adequate to cover the amount of such Borrowing.

Section 6.03. *No Default*. No Default or Event of Default shall exist at the time of, or result from, such funding or issuance.

Section 6.04. *Representations and Warranties*. Each of the representations and warranties made by any Credit Party set forth in Article 7 hereof or in any other Credit Document shall be true and correct in all material respects (without duplication of any materiality standard set forth in any such representation or warranty) on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such date (without duplication of any materiality standard set forth in any such representation or warranty).

The acceptance of the benefits of each Credit Event after the Closing Date shall constitute a representation and warranty by each Borrower to the Administrative Agent and each of the Lenders that all the conditions specified in this Article 6 and applicable to such Credit Event are satisfied as of that time (other than such conditions which are subject to the discretion of the Administrative Agent or the Lenders). All of the Notes, certificates, legal opinions and other documents and papers referred to in Article 5 and in this Article 6, unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Lenders.

ARTICLE 7
REPRESENTATIONS, WARRANTIES AND AGREEMENTS

In order to induce the Lenders to enter into this Agreement and to make the Loans, the Parent and each Borrower, as applicable, makes the following representations, warranties and agreements, in each case after giving effect to the Transaction.

Section 7.01. *Organizational Status*. The Parent and each of its Restricted Subsidiaries (f) is a duly organized and validly existing corporation, partnership, limited liability company or unlimited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, (g) has the corporate, partnership, limited liability company or unlimited holding company power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (h) is, to the extent such concepts are applicable under the laws of the relevant jurisdiction, duly qualified and is authorized to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such qualifications except for failures to be so qualified which, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Material Adverse Effect.

Section 7.02. *Power and Authority*. Each Credit Party has the corporate,

partnership, limited liability company or unlimited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is party and has taken all necessary corporate, partnership, limited liability company or unlimited liability company action, as the case may be, to authorize the execution, delivery and performance by it of each of such Credit Documents. Each Credit Party thereof has duly executed and delivered each of the Credit Documents to which it is party, and each of such Credit Documents constitutes its legal, valid and binding obligation enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

Section 7.03. *No Violation*. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, (f) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality, (g) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of any Credit Party or any of its respective Restricted Subsidiaries pursuant to the terms of, any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which any Credit Party or any of its Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject (except, in the case of preceding clauses (a) and (b), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect) or (h) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of any Credit Party or any of its respective Restricted Subsidiaries.

Section 7.04. *Approvals*. Except to the extent the failure to obtain or make the same would not reasonably be expected to have a Material Adverse Effect, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except for (x) those that have otherwise been obtained or made on or prior to the Closing Date and which remain in full force and effect on the Closing Date and (y) filings which are necessary to perfect the security interests or hypothecs created under the Security Documents), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to be obtained or made by, or on behalf of, any Credit Party to authorize, or is required to be obtained or made by, or on behalf of, any Credit Party in connection with, the execution, delivery and performance of any Credit Document.

Section 7.05. *Financial Statements; Financial Condition; Projections.* (f) (iv)The consolidated balance sheets of the Parent and its consolidated Subsidiaries for each of the fiscal years ended May 31, 2011, May 31, 2012 and May 31, 2013, respectively, and the

related consolidated statements of income, cash flows and retained earnings of the Parent and its consolidated Subsidiaries for each such fiscal year present fairly in all material respects the consolidated financial position of the Parent and its consolidated Subsidiaries at the dates of such balance sheets and the consolidated results of the operations of the Parent and its consolidated Subsidiaries for the periods covered thereby. All of the foregoing historical financial statements have been audited by KPMG LLP and prepared in accordance with IFRS consistently applied.

(v) All unaudited financial statements of the Parent and its Subsidiaries furnished to the Lenders on or prior to the Closing Date pursuant to clause (ii) of Section 5.11, have been prepared in accordance with IFRS consistently applied by the Parent, except as otherwise noted therein, subject to normal year-end audit adjustments (all of which are of a recurring nature and none of which, individually or in the aggregate, would be material) and the absence of footnotes.

(vi) The *pro forma* consolidated balance sheet of the Parent furnished to the Lenders pursuant to Section 5.11(iii) has been prepared as of December 31, 2013 as if the Transaction and the financing therefor had occurred on such date. Such *pro forma* consolidated balance sheet presents a good faith estimate of the *pro forma* consolidated financial position of the Parent as of December 31, 2013. The *pro forma* consolidated statement of operations the Parent furnished to the Lenders pursuant to Section 5.11(iii) has been prepared as of and for the twelve-month period ending with the latest quarterly period of the Parent covered by the financial statements referred to in clause (ii) of Section 5.11, as if the Transaction and the financing therefor had occurred on the first day of such four-quarter period. Such *pro forma* consolidated statement of operations presents a good faith estimate of the *pro forma* consolidated statement of operations of the Parent as if the Transaction and the financing therefor had occurred on the first day of such four-quarter period.

(g) On and as of the Closing Date, after giving effect to the consummation of the Transaction and the related financing transactions (including the incurrence of all Loans), the Parent and its Subsidiaries, taken as a whole, are not nor will they immediately become Insolvent.

(h) The Projections have been prepared in good faith and are based on assumptions that were believed by the Parent to be reasonable at the time made and at the time delivered to the Administrative Agent.

(i) After giving effect to the Transaction (but for this purpose assuming that the Transaction and the related financing had occurred prior to May 31, 2013), since May 31, 2013 there has been no Material Adverse Effect, and there has been no change, event or occurrence that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 7.06. *Litigation*. There are no actions, suits or proceedings pending or, to the knowledge of any Credit Party, threatened (i) with respect to the Transaction or any

Credit Document or (ii) that either individually or in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect.

Section 7.07. *True and Complete Disclosure.* (h) All written information (taken as a whole) furnished by or on behalf of any Credit Party in writing to the Administrative Agent or any Lender (including, without limitation, all such written information contained in the Credit Documents) for purposes of or in connection with this Agreement, the other Credit Documents or any transaction contemplated herein or therein does not, and all other such written information (taken as a whole) hereafter furnished by or on behalf of any Credit Party in writing to the Administrative Agent or any Lender will not, on the date as of which such written information is dated or certified, contain any material misstatement of fact or omit to state any material fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such written information was provided.

(i) Notwithstanding anything to the contrary in the foregoing clause (a) of this Section 7.07, none of the Credit Parties makes any representation, warranty or covenant with respect to any information consisting of statements, estimates, forecasts and projections regarding the future performance of the Parent or any of its Subsidiaries, or regarding the future condition of the industries in which they operate other than that such information has been (and in the case of such information furnished after the Closing Date, will be) prepared in good faith based upon assumptions believed to be reasonable at the time of preparation thereof.

Section 7.08. *Use of Proceeds; Margin Regulations.* (p) All proceeds of the Loans incurred on the Closing Date will be used by the Parent and the Borrowers to (i) up to an amount not to exceed $25,000,000, finance, in part, the Acquisition and the Refinancing and to pay the Transaction Costs, (ii) finance working capital needs and general corporate purposes and (iii) to fund any original issue discount or upfront fees associated with the Transaction.

(q) All proceeds of the Loans incurred after the Closing Date will be used for working capital needs and general corporate purposes of the Parent and its Subsidiaries, including the financing of capital expenditures, Permitted Acquisitions, and other permitted Investments, Dividends and any other purpose not prohibited hereunder.

(r) No part of any Credit Event (or the proceeds thereof) will be used to, directly or indirectly, and whether immediately, incidentally, or ultimately, purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock or to refund indebtedness originally incurred for such purpose. Neither the making of any Loan nor the use of the proceeds thereof nor the occurrence of any other Credit Event will violate the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

Section 7.09. *Tax Returns and Payments*. Except as would not reasonably be expected to result in a Material Adverse Effect, (i) the Parent and each of its Subsidiaries

has timely filed or caused to be timely filed with the appropriate taxing authority all Tax returns, statements, forms and reports for taxes (the "**Returns**") required to be filed by, or with respect to the income, properties or operations of, the Parent and/or any of its Subsidiaries, (ii) the Returns accurately reflect in all material respects all liability for Taxes of the Parent and its Subsidiaries for the periods covered thereby, and (iii) the Parent and each of its Subsidiaries have paid all Taxes payable by them, other than those that are being contested in good faith by appropriate proceedings and fully provided for as a reserve on the financial statements of the Parent and its Subsidiaries in accordance with IFRS. There is no material action, suit, proceeding, investigation, audit or claim now pending or, to the best knowledge of the Parent or any of its Subsidiaries, threatened in writing by any authority regarding any material Taxes relating to the Parent or any of its Subsidiaries.

Section 7.10. *ERISA*. (f) No ERISA Event has occurred or is reasonably expected to occur that would reasonably be expected to result in a Material Adverse Effect. Each Plan is in compliance in form and operation with its terms and with the applicable provisions of ERISA, the Code and other applicable law, except for such non-compliance that would not reasonably be expected to have a Material Adverse Effect. Except as would not reasonably be expected to result in a Material Adverse Effect, each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is in the form of a prototype document that is the subject of a favorable opinion letter.

(g) There exists no Unfunded Pension Liability with respect to any Plan, except as would not reasonably be expected to have a Material Adverse Effect.

(h) If each of the Parent, each Restricted Subsidiary of the Parent and each ERISA Affiliate were to withdraw from all Multiemployer Plans in a complete withdrawal as of the date this assurance is given, the aggregate withdrawal liability that would be incurred would not reasonably be expected to have a Material Adverse Effect.

(i) There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of the Parent, any Restricted Subsidiary of the Parent or any ERISA Affiliate, threatened, which would reasonably be expected to be asserted successfully against any Plan and, if so asserted successfully, would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

(j) The Parent, any Restricted Subsidiary of the Parent and any ERISA Affiliate have made all material contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, the terms of such Plan or Multiemployer Plan, respectively, or any contract or agreement requiring contributions to a Plan or Multiemployer Plan except where any failure to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(k) Except as would not reasonably be expected to have a Material Adverse Effect: (iii) each Foreign Pension Plan and Canadian Employee Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable

laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities; (iv) all contributions required to be made with respect to a Foreign Pension Plan, each Canadian Employee Plan and Canadian Statutory Plan have been timely made; and (v) neither Parent nor any of its Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Pension Plan or Canadian Employee Plan.

(l) Neither the Parent nor any of its Subsidiaries maintains, contributes to, or has any liability or contingent liability with respect to, any Canadian Defined Benefit Plan as of the Closing Date, and thereafter, neither the Parent nor any of its Subsidiaries maintains, contributes to, or has any liability or contingent liability with respect to, any Canadian Defined Benefit Plan, except as expressly permitted by Section 8.14.

Section 7.11. *The Security Documents.* (a) The provisions of the Security Agreements are effective to create in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest or hypothec (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) in all right, title and interest of the Credit Parties in the Collateral (as described in the Security Agreements), and upon (b) the timely and proper filing of financing statements (or other local equivalent) listing each applicable Credit Party, as a debtor, and the Collateral Agent, as secured party, in the secretary of state's office (or other similar governmental entity) of the jurisdiction of organization of such Credit Party, (c) sufficient identification of commercial tort claims (as applicable), (d) execution of a control agreement or blocked account agreement (if applicable) establishing the Collateral Agent's "control" (within the meaning of the New York Uniform Commercial Code) with respect to any deposit account or providing the Collateral Agent with a perfected, first priority security interest or hypothec (subject to no other Liens other than Permitted Liens) in all amounts from time to time on deposit in such deposit account, (e) the recordation of the Notice of Grant of Security Interest in U.S. federally registered or applied for patents, if applicable, and the Notice of Grant of Security Interest in U.S. federally issued or applied for trademarks, if applicable, in the respective form attached to the relevant Security Agreement, in each case in the United States Patent and Trademark Office, (f) the Notice of Grant of Security Interest in U.S. federally registered copyrights, if applicable, in the form attached to the relevant Security Agreement with the United States Copyright Office, and (g) the Confirmation of Grant of Security Interest in Canadian Copyrights, Patents and Trademarks, if applicable, in the form attached to the Canadian Security Agreement with the Canadian Intellectual Property Office, the Collateral Agent, for the benefit of the Secured Creditors, has (to the extent provided in the Security Agreements) a fully perfected security interest or hypothec in all right, title and interest in all of the Collateral (as described in the Security Agreements), subject to no other Liens other than Permitted Liens, in each case, to the extent perfection can be accomplished under applicable law through these actions. Notwithstanding anything herein to the contrary, the Credit Parties shall not be required to take any action to perfect any security interest in any Collateral consisting of Intellectual Property under the laws of any jurisdiction outside of the United States or Canada or any other Collateral under the laws of any jurisdiction outside of the United States and Canada (other than to perfect against any Equity Interests and/or debt obligation of **[Redacted – Name of Subsidiary]**).

(b) The provisions of the Pledge Agreements are effective to create in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest or hypothec (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) in all right, title and interest of the Credit Parties in the Collateral (as described in the Pledge Agreements), upon the timely and proper filing of financing statements (or other local equivalent) listing each applicable

Credit Party, as a debtor, and Collateral Agent, as secured party, in the secretary of state's office (or other similar governmental entity) of the jurisdiction of organization of such Credit Party, the security interests or hypothecs created under the Pledge Agreements in favor of the Collateral Agent, as Pledgee, for the benefit of the Secured Creditors, constitute perfected (to the extent provided in the Pledge Agreements) security interests or hypothecs in the Collateral (as described in the Pledge Agreements (other than Collateral in which a security interest or hypothec cannot be perfected under the UCC or PPSA as in effect at the relevant time in the relevant jurisdiction or by the taking of the foregoing actions), subject to no other Liens other than Permitted Liens, in each case, to the extent perfection can be accomplished under applicable law through these actions.

(c) Upon delivery in accordance with Section 8.12 or 8.13 as applicable, each Mortgage will create, as security for the obligations purported to be secured thereby, a valid and enforceable (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) and, upon recordation in the appropriate recording office, perfected security interest in and mortgage lien on the respective Mortgaged Property in favor of the Collateral Agent (or such other trustee as may be required or desired under local law) for the benefit of the Secured Creditors, superior and prior to the rights of all third Persons (except as may exist pursuant to the Permitted Encumbrances related thereto) and subject to no other Liens (other than Permitted Liens related thereto).

Section 7.12. *Properties*. All Real Property owned in fee by any Credit Party as of the Closing Date, and the nature of the interest therein, is correctly set forth in Schedule 7.12, which Schedule 7.12 also indicates each property that constitutes a Material Real Property as of the Closing Date. The Parent and each of its Subsidiaries has good and marketable title or valid leasehold interest in the case of Real Property, and good and valid title in the case of tangible personal property and intangible property, to all material tangible and intangible properties owned by it, including all material property reflected in the most recent historical balance sheets referred to in Section 7.05(a) (except as sold or otherwise disposed of since the date of such balance sheet in the ordinary course of business or as permitted by the terms of this Agreement (or, to the extent disposed or disposed of prior to the Closing Date, the Existing Credit Agreement)), free and clear of all Liens, other than Permitted Liens.

Section 7.13. *Capitalization*. All outstanding shares of capital stock of the Parent have been duly and validly issued and are fully paid and non-assessable (other than any assessment on the shareholders of the Parent that may be imposed as a matter of law). All outstanding shares of capital stock of each of the Subsidiary Borrowers are owned directly by the Parent or another Credit Party. The Parent does not have outstanding any capital stock or other securities convertible into or exchangeable for its capital stock or any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

Section 7.14. *Subsidiaries*. On and as of the Closing Date and after giving effect to the consummation of the Transaction, the Parent has no Subsidiaries other than those Subsidiaries listed on Schedule 7.14. Schedule 7.14 correctly sets forth, as of the Closing Date and after giving effect to the Transaction, the percentage ownership (direct and indirect) of the Parent in each class of capital stock of each of its Subsidiaries and also identifies the direct owner thereof.

Section 7.15. *Compliance with Statutes, OFAC Rules and Regulations; Patriot Act and Canadian AML Acts; FCPA.* (c) Each of the Parent and each of its Subsidiaries is in compliance with all applicable statutes, regulations and orders of (including any laws relating to terrorism, money laundering or embargoed persons, the Bank Secrecy Act, as amended by Title III of the USA PATRIOT Act, and the Canadian AML Acts), and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including, without limitation, applicable statutes, regulations, orders, directions and restrictions relating to environmental standards and controls).

(d) None of the Parent or any Subsidiary is in violation of any of the foreign assets control regulations of the Office of Foreign Assets Control ("**OFAC**") of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or any other relevant sanctions authority applicable in countries where the Borrower or its Subsidiaries do business (collectively, "**Sanctions**"), and none of the Parent or any Subsidiary or any Affiliate thereof is in violation of and shall not violate any of the country or list based economic and trade sanctions.

(e) None of the Parent or any Subsidiary will, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as lender, underwriter, advisor, investor, or otherwise).

(f) The Parent and each Subsidiary is in compliance in all material respects with the Foreign Corrupt Practices Act, 15 U.S.C.§§ 78dd-1, et seq., as amended, and the rules and regulations thereunder ("**FCPA**"), the *Corruption of Foreign Public Officials Act* (Canada) and any foreign counterpart thereto applicable to the Parent or such Subsidiary, and have instituted and maintain policies and procedures designed to ensure continued compliance therewith. Neither the Parent nor any of the Borrowers nor, to the knowledge of the Parent or any Subsidiary, nor, to the knowledge of the Parent, any director, officer, agent, employee or other person acting on behalf of the Parent or any of its Subsidiaries, is aware of or has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (vi) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (vii) to a foreign official, foreign political party or

party official or any candidate for foreign political office, and (viii) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to the Parent or any Subsidiary or to any other Person, in violation of FCPA or the *Corruption of Foreign Public Officials Act* (Canada). No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity in violation of the FCPA or any other applicable anti-corruption law.

Section 7.16. *Investment Company Act*. None of the Parent or any of its Restricted Subsidiaries is an "**investment company**" within the meaning of the Investment Company Act of 1940, as amended, required to be registered as such.

Section 7.17. *Environmental Matters.* (a) The Parent and each of its Subsidiaries are and have been in compliance with all applicable Environmental Laws and the requirements of any permits or certificates of approval issued under such Environmental Laws. There are no pending or, to the knowledge of any Credit Party, threatened Environmental Claims and no liabilities under any applicable Environmental Laws relating to the Parent or any of its Subsidiaries or any Real Property owned, leased or operated by the Parent or any of its Subsidiaries (including any such claim or liability arising out of the ownership, lease or operation by the Parent or any of its Subsidiaries of any Real Property formerly owned, leased or operated by the Parent or any of its Subsidiaries but no longer owned, leased or operated by the Parent or any of its Subsidiaries). There are no facts, circumstances, conditions or occurrences with respect to the business or operations of the Parent or any of its Subsidiaries, or any Real Property owned, leased or operated by the Parent or any of its Subsidiaries (including any Real Property formerly owned, leased or operated by the Parent or any of its Subsidiaries but no longer owned, leased or operated by the Parent or any of its Subsidiaries) that would be reasonably expected (iii) to form the basis of an Environmental Claim against the Parent or any of its Subsidiaries, (iv) to cause any Real Property owned, leased or operated by the Parent or any of its Subsidiaries to be subject to any restrictions on the ownership, lease, occupancy or transferability of such Real Property by the Parent or any of its Subsidiaries under any applicable Environmental Law or (v) to give rise to liability under any applicable Environmental Law.

(b) Hazardous Materials have not at any time been generated, used, treated or stored on, or transported to or from, or Released on or from, any Real Property currently or formerly owned, leased or operated by the Parent or any of its Subsidiaries where such generation, use, treatment, storage, transportation or Release has (iii) violated or would be reasonably expected to violate any applicable Environmental Law, (iv) given rise to or would be reasonably expected to give rise to an Environmental Claim or (v) given rise to or would be reasonably expected to give rise to liability under any applicable Environmental Law.

(c) Notwithstanding anything to the contrary in this Section 7.17, the representations and warranties made in this Section 7.17 shall be untrue only if the effect of any or all conditions, violations, claims, restrictions, failures and noncompliances of the types described above would, either individually or in the aggregate, reasonably be expected

to have a Material Adverse Effect.

For the purposes of this Section 7.17, the terms " **Parent**" and "**Subsidiary**" shall include any business or business entity (including a corporation) which is, in whole or in part, a predecessor of the Parent or any Subsidiary.

Section 7.18. *Labor Relations*. Except as set forth in Schedule 7.18 and except to the extent the same has not, either individually or in the aggregate, had and would not reasonably be expected to have a Material Adverse Effect, (a) there are no strikes, lockouts, slowdowns or other labor disputes pending against the Parent or any of its Restricted Subsidiaries or, to the knowledge of each Credit Party, threatened against the Parent or any of its Restricted Subsidiaries, (b) the hours worked by and payments made to employees of the Parent or any of its Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable federal, state, provincial, local, or foreign law dealing with such matters and (c) to the knowledge of each Credit Party, no wage and hour department investigation has been made of the Parent or any of its Restricted Subsidiaries.

Section 7.19. *Intellectual Property*. The Parent and each of its Subsidiaries owns or has the right to use all the patents, trademarks, domain names, service marks, trade names, copyrights, applications and registration for any of the foregoing, inventions, industrial designs, trade secrets, formulas, proprietary information, technology, processes, know-how of any type, whether or not written (including, but not limited to, rights in computer programs, software and databases) and other similar intellectual property rights (collectively, "**Intellectual Property**"), used in, held for use in, or necessary for the present conduct of its respective business, without any known conflict with the Intellectual Property rights of others, except for such failures to own or have the right to use and/or conflicts as have not had, and would not reasonably be expected to have, a Material Adverse Effect. Neither the Parent nor any of its Subsidiaries has infringed upon, misappropriated or otherwise violated any Intellectual Property rights of any Person and no claim or litigation alleging any of the foregoing is pending or, to the knowledge of the Borrower, threatened, except in each case as would not reasonably be expected to have a Material Adverse Effect.

Section 7.20. *Insurance.* The properties of the Parent and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Parent, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Parent or the applicable Subsidiary operates. Notwithstanding the foregoing, the Parent and its Subsidiaries may self-insure with respect to such risks with respect to which companies of established reputation engaged in similar businesses in the same general area usually self-insure.

Section 7.21. *No Default*. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Credit Document.

ARTICLE 8

The Parent and each of its Restricted Subsidiaries hereby covenants and agrees that on and after the Closing Date and so long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than (i) any indemnification obligations arising hereunder which are not then due and payable and (ii) Secured Bank Product Obligations) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (unless Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent).

Section 8.01. *Information Covenants*. The Parent will furnish to the Administrative Agent for distribution to each Lender:

(j) *Quarterly Financial Statements*. Within 45 days after the close of each of the first three quarterly accounting periods in each fiscal year of the Parent, (xii) the consolidated balance sheet of the Parent and its Subsidiaries as at the end of such quarterly accounting period and the related consolidated statements of income and retained earnings and statement of cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the corresponding quarterly accounting period in the prior fiscal year and comparable forecasted figures for such quarterly accounting period based on the corresponding forecasts delivered pursuant to Section 8.01(c), all of which shall be certified by a Responsible Officer of the Parent that they fairly present in all material respects in accordance with IFRS the financial condition of the Parent and its Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes, and (xiii) management's discussion and analysis of the important operational and financial developments during such quarterly accounting period. If the Parent has filed (within the time period required above) an interim financial report and related management's discussion and analysis with any Securities Commission pursuant to National Instrument 51-102 adopted by the Canadian Securities Administrators ("**NI 51-102**") for any fiscal quarter described above, then to the extent that such interim financial report and related management's discussion and analysis contains any of the foregoing items, the Lenders shall accept such filings in lieu of such items.

(k) *Annual Financial Statements*. Within 90 days after the close of each fiscal year of the Parent, (ix) the consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income and retained earnings and statement of cash flows for such fiscal year setting forth (commencing with the Parent's fiscal year ending May 31, 2014) comparative figures for the preceding fiscal year and comparable forecasted figures for such fiscal year based on the corresponding forecasts delivered pursuant to Section 8.01(c) or in the case of the fiscal year ending May 31, 2014, delivered to the Administrative Agent prior to the Closing Date and certified, in the case of consolidated financial statements, by KPMG LLP or other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent, together with an opinion of such accounting firm (which opinion

shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) which demonstrates that such statements fairly present in all material respects in accordance with IFRS the financial condition of the Parent and its Subsidiaries as of the date indicated and the results of their operations and changes in their cash flows for the periods indicated and (ii) management's discussion and analysis of the important operational and financial developments during such fiscal year. If the Parent has filed (within the time period required above) annual financial statements and related management's discussion and analysis with any Securities Commission pursuant to NI 51-102 for any fiscal year described above, then to the extent that such annual financial statements and related management's discussion and analysis contains any of the foregoing items, the Lenders shall accept such filings in lieu of such items.

(l) *Forecasts*. No later than 90 days following the first day of each fiscal year of the Parent (commencing with the Parent's fiscal year ended May 31, 2015), a forecast in form reasonably satisfactory to the Administrative Agent (including projected statements of income, sources and uses of cash and balance sheets for the Parent and its Subsidiaries on a consolidated basis) for each of the twelve months of such fiscal year prepared in detail, with appropriate discussions, the principal assumptions upon which such forecast is based.

(m) *Officer's Certificates*. At the time of the delivery of any Section 8.01 Financials, a Compliance Certificate, certifying on behalf of the Parent that, to such Responsible Officer's knowledge after due inquiry, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall (vii) set forth the reasonably detailed calculations with respect to the Consolidated Fixed Charge Coverage Ratio for such period, whether or not the covenant in Section 9.11 is then required to be complied with; and (viii) certify that there have been no changes to Annexes A through D, Annexes F through H, in each case of the Security Agreements and Annexes A through E of the Pledge Agreements, in each case since the Closing Date or, if later, since the date of the most recent certificate delivered pursuant to this Section 8.01(d), or if there have been any such changes, a list in reasonable detail of such changes (but, in each case with respect to this clause (ii), only to the extent that such changes are required to be reported to the Collateral Agent pursuant to the terms of such Security Documents) and whether the Parent and the other Credit Parties have otherwise taken all actions required to be taken by them pursuant to such Security Documents in connection with any such changes.

(n) *Notice of Default, Litigation and Material Adverse Effect*. Promptly after any officer of the Parent or any of its Subsidiaries obtains knowledge thereof, notice of (iii) the occurrence of any event which constitutes a Default or an Event of Default or any default or event of default under the Term Loan Credit Agreement or any refinancing thereof or any Permitted Junior Debt or other debt instrument in excess of the Threshold Amount, (iv) any litigation or governmental investigation or proceeding pending against the Parent or any of its Subsidiaries (x) which, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect or (y) with respect to any Credit

Document, or (v) any other event, change or circumstance that has had, or would reasonably be expected to have, a Material Adverse Effect.

(o) *Other Reports and Filings*. Promptly after the filing or delivery thereof, copies of all financial information, proxy materials and reports, if any, which the Parent or any of its Subsidiaries shall publicly file with a Securities Commission or the SEC.

(p) *Environmental Matters*. Promptly after any officer of the Parent or any of its Subsidiaries obtains knowledge thereof, notice of one or more of the following environmental matters to the extent that such environmental matters, either individually or when aggregated with all other such environmental matters, would reasonably be expected to have a Material Adverse Effect:

(vi) any pending or threatened Environmental Claim relating to the Parent or any of its Subsidiaries or any Real Property owned, leased or operated by the Parent or any of its Subsidiaries;

(vii) any condition or occurrence on or arising from any Real Property owned, leased or operated by the Parent or any of its Subsidiaries that (A) results in noncompliance by the Parent or any of its Subsidiaries with any applicable Environmental Law or (B) would reasonably be expected to form the basis of an Environmental Claim against or give rise to liability under any applicable Environmental Law of the Parent or any of its Subsidiaries or any such Real Property;

(viii) any condition or occurrence on any Real Property owned, leased or operated by the Parent or any of its Subsidiaries that could reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, lease, occupancy, use or transferability by the Parent or any of its Subsidiaries of such Real Property under any Environmental Law; and

(ix) the taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property owned, leased or operated by the Parent or any of its Subsidiaries as required by any Environmental Law or any governmental or other administrative agency and all notices received by the Parent or any of its Subsidiaries from any government or governmental agency under, or pursuant to, Environmental Law which identify the Parent or any of its Subsidiaries as potentially responsible parties for remediation costs or which otherwise notify the Parent or any of its Subsidiaries of potential liability under Environmental Law.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the Parent's or such Subsidiary's response thereto.

(q) *Notices to Holders of Permitted Junior or Term Loan Credit Agreement Debt* . Contemporaneously with the sending or filing thereof, the Parent will provide to the

Administrative Agent for distribution to each of the Lenders, any notices provided to, or received from, holders of (vi) any Permitted Junior Debt or other Indebtedness, in each case of this clause (i), with a principal amount in excess of the Threshold Amount or (vii) the Term Loan Credit Agreement.

(r) *Financial Statements of Unrestricted Subsidiaries* . Simultaneously with the delivery of each set of Section 8.01 Financials, the related consolidating financial statements reflecting adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements.

(s) *Other Information*. From time to time, such other information (financial or otherwise) with respect to the Parent or any of its Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request.

The Parent hereby acknowledges that (a) the Administrative Agent and/or the Joint Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "**Platform**") and (b) certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to the Parent or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Parent hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Parent shall be deemed to have authorized the Administrative Agent, the Joint Lead Arrangers, and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Parent or its securities for purposes of United States Federal and state securities laws (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 12.14); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

Section 8.02. *Books, Records and Inspections.* (i) The Parent will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity with IFRS and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities.

(j) The Lead Borrowers will permit the Administrative Agent, subject to reasonable advance notice to, and reasonable coordination with, the Lead Borrowers and normal business hours, to visit and inspect the properties of any Borrower or the Parent, at

the Borrowers' expense as provided in clause (c) below, inspect, audit and make extracts from any Borrower's or the Parent's corporate, financial or operating records, and discuss with its officers, employees, agents, advisors and independent accountants (subject to such accountants' customary policies and procedures) such Borrower's or the Parent's business, financial condition, assets and results of operations (it being understood that a representative of the Parent is allowed to be present in any discussions with officers, employees, agent, advisors and independent accountants); *provided* that the Administrative Agent shall be limited to one such field examination and one such inventory appraisal with respect to any ABL Priority Collateral (including Collateral comprising the Borrowing Base) per 12-month period; *provided further*, that (x) if at any time Availability is less than (A) 22.5% of the Line Cap for a period of five (5) consecutive Business Days (or more) or (B) $34.5 million, during such 12-month period, one additional field examination and one additional inventory appraisal of ABL Priority Collateral (including Collateral comprising the Borrowing Base) will be permitted in such 12-month period and (xi) during the existence and continuance of an Event of Default, there shall be no limit on the number of additional field examinations and inventory appraisals of Collateral comprising the Borrowing Base that shall be permitted at the Administrative Agent's request using reasonable credit judgment in accordance with customary business practices for comparable asset-based lending transactions (during the existence and continuance of an event of default). No such inspection or visit shall unduly interfere with the business or operations of any Borrower or the Parent, nor result in any damage to the property or other Collateral. No inspection shall involve invasive testing without the prior written consent of the Parent. Neither the Administrative Agent nor any Lender shall have any duty to the Parent or any Borrower to make any inspection, nor to share any results of any inspection, appraisal or report with any Borrower or the Parent. The Parent and the Borrowers acknowledges that all inspections, appraisals and reports are prepared by the Administrative Agent and Lenders for their purposes, and the Parent and the Borrowers shall not be entitled to rely upon them.

(k) Reimburse the Administrative Agent for all reasonable out-of-pocket costs and expenses (other than any legal fees or costs and expenses covered under Section 12.01) of the Administrative Agent in connection with (xi) one examination per fiscal year of any Borrower's books and records or any other financial or Collateral matters as the Administrative Agent deems appropriate and (xii) field examinations and inventory appraisals of ABL Priority Collateral (including Collateral comprising the Borrowing Base) in each case subject to the limitations on such examinations, audits and appraisals permitted under the preceding paragraph. Subject to and without limiting the foregoing, the Borrowers specifically agree to pay the Administrative Agent's then standard charges for examination activities, including the standard charges of the Administrative Agent's internal appraisal group. This Section shall not be construed to limit the Administrative Agent's right to use third parties for such purposes.

Section 8.03. *Maintenance of Property; Insurance.* (g) The Parent will, and will cause each of its Restricted Subsidiaries to, (vii) keep all tangible property necessary to the business of the Parent and its Restricted Subsidiaries in good working order and condition, ordinary wear and tear, casualty and condemnation excepted, (viii) maintain with financially

sound and reputable insurance companies insurance on all such property and against all such risks as is consistent and in accordance with industry practice for companies similarly situated owning similar properties and engaged in similar businesses as the Parent and its Restricted Subsidiaries, and (ix) furnish to the Administrative Agent, upon its request therefor, full information as to the insurance carried. The provisions of this Section 8.03 shall be deemed supplemental to, but not duplicative of, the provisions of any Security Documents that require the maintenance of insurance.

(h) If at any time the improvements on a Mortgaged Property are located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Parent shall, or shall cause the applicable Credit Party to maintain, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and deliver to the Administrative Agent evidence of such insurance in form and substance reasonably acceptable to the Administrative Agent.

(i) The Parent will, and will cause each of its Restricted Subsidiaries to, at all times keep its property insured in favor of the Collateral Agent, and all policies or certificates (or certified copies thereof) with respect to such insurance (and any other insurance maintained by the Parent and/or such Restricted Subsidiaries) (xii) shall be endorsed to the Collateral Agent's reasonable satisfaction for the benefit of the Collateral Agent (including, without limitation, by naming the Collateral Agent as loss payee, mortgagee and/or additional insured), (xiii) if agreed by the insurer (which agreement the Parent shall use commercially reasonable efforts to obtain), shall state that such insurance policies shall not be canceled without at least 30 days' prior written notice thereof (or, with respect to non-payment of premiums, ten (10) days' prior written notice) by the respective insurer to the Collateral Agent; *provided* that the requirements of this Section 8.03(c) shall not apply to (x) insurance policies covering (1) directors and officers, fiduciary or other professional liability, (2) employment practices liability, (3) workers compensation liability, (4) automobile and aviation liability, (5) health, medical, dental and life insurance, and (6) such other insurance policies and programs as the Collateral Agent may approve; and (y) self-insurance programs and (xiv) shall be deposited with the Collateral Agent.

(j) If the Parent or any of its Restricted Subsidiaries shall fail to maintain insurance in accordance with this Section 8.03, or the Parent or any of its Restricted Subsidiaries shall fail to so endorse and deposit all policies or certificates with respect thereto, after any applicable grace period, the Administrative Agent shall have the right (but shall be under no obligation) to procure such insurance and the Credit Parties jointly and severally agree to reimburse the Administrative Agent for all reasonable costs and expenses of procuring such insurance.

Section 8.04. *Existence; Franchises*. The Parent will, and will cause each of its Restricted Subsidiaries to, do or cause to be done, all things necessary to preserve and keep

in full force and effect its existence and, in the case of the Parent and its Restricted Subsidiaries, its and their rights, franchises, licenses, permits, and Intellectual Property, in each case to the extent material; *provided*, *however*, that nothing in this Section 8.04 shall prevent (i) sales of assets and other transactions by the Parent or any of its Restricted Subsidiaries in accordance with Section 9.02, (ii) the abandonment by the Parent or any of its Restricted Subsidiaries of any rights, franchises, licenses, permits, or Intellectual Property that the Parent reasonably determines are no longer material to the operations of the Parent and its Restricted Subsidiaries taken as a whole or (iii) the withdrawal by the Parent or any of its Restricted Subsidiaries of its qualification as a foreign corporation, partnership, limited liability company or unlimited liability company, as the case may be, in any jurisdiction if such withdrawal would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 8.05. *Compliance with Statutes, etc*. The Parent will, and will cause each of its Subsidiaries to, comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls), except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 8.06. *Compliance with Environmental Laws.* (j) The Parent will comply, and will cause each of its Restricted Subsidiaries to comply, with all Environmental Laws and certificates of approval and permits applicable to, or required by, the ownership, lease, operation or use of Real Property now or hereafter owned, leased or operated by the Parent or any of its Restricted Subsidiaries, except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and will promptly pay or cause to be paid all costs and expenses incurred in connection with such compliance, and will keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws (other than Liens imposed on leased Real Property resulting from the acts or omissions of the owner of such leased Real Property or of other tenants of such leased Real Property who are not within the control of the Parent or any of its Restricted Subsidiaries). Except as have not had, and would not reasonably be expected to have, a Material Adverse Effect, neither the Parent nor any of its Restricted Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of, Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Parent or any of its Restricted Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, except for Hazardous Materials generated, used, treated, stored, Released or disposed of at any such Real Properties or transported to or from such Real Properties in compliance with all applicable Environmental Laws.

(k) (x) After the receipt by the Administrative Agent or any Lender of any notice of the type described in Section 8.01(g), (xi) at any time that the Parent or any of its Restricted Subsidiaries are not in compliance with Section 8.06(a) or (xii) at any time when an Event

of Default is in existence, the Credit Parties will (in each case) jointly and severally provide, at the written request of the Administrative Agent, an environmental site assessment report, including a phase I and phase II report if required by the Administrative Agent, concerning any Mortgaged Property owned, leased or operated by the Parent or any of its Restricted Subsidiaries (in the event of (i) or (ii) that is the subject of or could reasonably be expected to be the subject of such notice or noncompliance), prepared by an environmental consulting firm reasonably approved by the Administrative Agent, indicating the presence or absence of Hazardous Materials, compliance or non-compliance with all Environmental Laws and permits thereunder, and the reasonable worst case cost of any removal or remedial action in connection with any such Hazardous Materials on or non-compliance with Environmental Laws in connection with such Mortgaged Property. If the Credit Parties fail to provide the same within 30 days after such request was made, the Administrative Agent may order the same, the reasonable cost of which shall be borne by the Parent, and the Credit Parties shall grant and hereby grant to the Administrative Agent and the Lenders and their respective agents access to such Mortgaged Property and specifically grant the Administrative Agent and the Lenders an irrevocable non-exclusive license to undertake such an environmental assessment at any reasonable time upon reasonable notice to the Parent, all at the sole expense of the Credit Parties (who shall be jointly and severally liable therefor).

Section 8.07. *ERISA*. As soon as possible and, in any event, within ten (10) Business Days after the Parent or any Restricted Subsidiary of the Parent knows of the occurrence of any of the following, the Parent will deliver to the Administrative Agent a certificate of a Responsible Officer of the Parent setting forth the full details as to such occurrence and the action, if any, that the Parent, such Restricted Subsidiary or an ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given or filed by the Parent, such Restricted Subsidiary, the Plan administrator or such ERISA Affiliate to or with the PBGC or any other Governmental Authority, or a Plan participant and any notices received by the Parent, such Restricted Subsidiary or such ERISA Affiliate from the PBGC or any other Governmental Authority, or a Plan participant with respect thereto: that (s) an ERISA Event has occurred that is reasonably expected to result in a Material Adverse Effect; (t) there has been an increase in Unfunded Pension Liabilities since the date the representations hereunder are given, or from any prior notice, as applicable, in either case, which is reasonably expected to result in a Material Adverse Effect; (u) there has been an increase in the estimated withdrawal liability under Section 4201 of ERISA, if the Parent, any Restricted Subsidiary of the Parent and the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans which is reasonably expected to result in a Material Adverse Effect, (v) the Parent, any Restricted Subsidiary of the Parent or any ERISA Affiliate adopts, or commences contributions to, any Plan subject to Section 412 of the Code, or adopts any amendment to a Plan subject to Section 412 of the Code which is reasonably expected to result in a Material Adverse Effect, (w) that a contribution required to be made with respect to a Foreign Pension Plan has not been timely made which failure is reasonably likely to result in a Material Adverse Effect; or (x) that a Foreign Pension Plan has been or is reasonably expected to be terminated, reorganized, partitioned or declared insolvent and such event is reasonably expected to result in a Material Adverse Effect. The Parent will also deliver to the Administrative Agent, upon request by the Administrative

Agent, a complete copy of the most recent annual report (on Internal Revenue Service Form 5500-series, including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) filed with the Internal Revenue Service or other Governmental Authority of each Plan that is maintained or sponsored by the Parent or a Restricted Subsidiary.

As soon as possible and, in any event, within ten (10) Business Days after the Parent or any Subsidiary of the Parent knows of the occurrence of any of the following, the Parent will deliver to the Administrative Agent a certificate of a Responsible Officer of the Parent setting forth the full details as to such occurrence and the action, if any, that the Parent or such Subsidiary is required or proposes to take, together with any notices required or proposed to be given or filed by the Parent, such Subsidiary or the Canadian Pension Plan administrator to or with any Governmental Authority, or a Canadian Pension Plan participant and any notices received by the Parent or such Subsidiary from any Governmental Authority, or a Canadian Pension Plan participant with respect thereto: (a) that a contribution required to be made with respect to a Canadian Employee Plan or Canadian Statutory Plan has not been timely made which failure is reasonably likely to result in a Material Adverse Effect; (b) that Canadian Unfunded Pension Liability has arisen in an amount exceeding the Threshold Amount or in such amount as would reasonably be expected to result in a Material Adverse Effect; or (c) that a Canadian Pension Plan has been or is reasonably expected to be terminated, reorganized, partitioned or declared insolvent and such event is reasonably expected to result in a Material Adverse Effect. The Parent will also deliver to the Administrative Agent, upon request by the Administrative Agent, a complete copy of the most recent annual report (including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) filed with each Governmental Authority in respect of each Canadian Pension Plan that is maintained or sponsored by the Parent or a Subsidiary.

Section 8.08. *[Reserved]*.

Section 8.09. *Performance of Obligations*. The Parent will, and will cause each of its Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement, loan agreement or credit agreement and each other agreement, contract or instrument by which it is bound, except such non-performances as, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Material Adverse Effect.

Section 8.10. *Payment of Taxes*. The Parent will pay and discharge prior to or when due, and will cause each of its Subsidiaries to pay and discharge, all material Taxes imposed upon it or upon its income or profits or upon any properties belonging to it and all material lawful claims which, if unpaid, might become a Lien or charge upon any properties of the Parent or any of its Subsidiaries not otherwise permitted under Section 9.01(a); *provided* that neither the Parent nor any of its Subsidiaries shall be required to pay any such Tax which is being contested in good faith and by appropriate proceedings if it has maintained adequate reserves with respect thereto in accordance with IFRS.

Section 8.11. *Use of Proceeds*. Each Borrower will use the proceeds of the Loans only as provided in Section 7.08 and in a manner not inconsistent with Section 7.15.

Section 8.12. *Additional Security; Further Assurances; etc.* (a) The Parent will, and will cause each of the other Credit Parties that are Restricted Subsidiaries of the Parent to, grant to the Collateral Agent for the benefit of the Secured Creditors security interests in and mortgage liens on such assets and properties (in the case of Real Property, limited to Material Real Property) of the Parent and such other Credit Parties that are Restricted Subsidiaries of the Parent as are not covered by the original Security Documents and as may be reasonably requested from time to time by the Administrative Agent or the Required Lenders (collectively, as may be amended, modified or supplemented from time to time, the "**Additional Security Documents**"); *provided* that (b) the pledge of the outstanding capital stock of any FSHCO or CFC shall be limited to (c) no more than sixty-five percent (65%) of the total combined voting power for all classes of the voting Equity Interests of such FSHCO or CFC and (d) one-hundred percent (100%) of the non-voting Equity Interests of such FSHCO or CFC, (e) mortgage liens shall not be required with respect to any Real Property that is not Material Real Property and (f) security interests and mortgage liens shall not be required with respect to any assets or properties to the extent that such security interests or mortgage liens would result in a material adverse tax consequence to the Parent or its Restricted Subsidiaries, as reasonably determined by the Parent and notified in writing to the Administrative Agent. All security interests and mortgage liens shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and (subject to exceptions as are reasonably acceptable to the Administrative Agent) shall constitute, upon taking all necessary perfection action (which the Credit Parties agree to promptly take) valid and enforceable perfected security interests and mortgage liens (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law), subject to the ABL/Term Intercreditor Agreement, superior to and prior to the rights of all third Persons and subject to no other Liens except for Permitted Liens. The Additional Security Documents or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect (subject to exceptions as are reasonably acceptable to the Administrative Agent) the Liens in favor of the Collateral Agent required to be granted pursuant to the Additional Security Documents and all Taxes, fees and other charges payable in connection therewith shall be paid in full. Notwithstanding any other provision in this Agreement or any other Credit Document, no FSHCO or CFC shall be required to pledge any of its assets to secure any obligations of the Borrowers under the Credit Documents or

guarantee the obligations of the Lead U.S. Borrower or any of its U.S. Subsidiaries under the Credit Documents). In connection with any Additional Security Documents for any Material Real Property, the Lead Borrowers shall cause the Mortgage Collateral Requirement to be satisfied. "**Mortgage Collateral Requirement**" means that (i) the Administrative Agent shall receive, in order to comply with the Flood Laws, (A) a completed standard flood hazard determination form, (B) if the improvement(s) to the improved Material Real Property is located in a special flood hazard area, a notification to the borrower and (if applicable) notification to the Parent that flood insurance coverage under the National Flood Insurance Program is or is not available in that community, (C) documentation evidencing the Parent's receipt of such notice to Borrower (e.g., countersigned notice), and (D) if such notice is required to be given and flood insurance is available in the community in which the property is located, a copy of one of the following: the flood insurance policy, the Parent's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued, or such other evidence of flood insurance satisfactory to the Administrative Agent; and (ii) with respect to each Mortgage, the Administrative Agent shall receive (A) a fully paid policy of title insurance (or "pro forma" or marked up commitment having the same effect of a title insurance policy) in form and substance reasonably satisfactory to the Administrative Agent and (B) an opinion of counsel (other than as to title to such Material Real Property) for the jurisdiction in which the Material Real Property covered by such Mortgage is located . Notwithstanding anything herein to the contrary, the Credit Parties shall not be required to take any action to perfect any security interest in any Collateral consisting of Intellectual Property under the laws of any jurisdiction outside of the United States or Canada or any other Collateral under the laws of any jurisdiction outside of the United States or Canada (other than to perfect against any Equity Interests and/or debt obligation of **[Redacted – Name of Subsidiary]**).

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, with respect to any person that is or becomes a Restricted Subsidiary after the Closing Date, promptly (iii) deliver to the Collateral Agent the certificates, if any, representing all (or such lesser amount as is required) of the Equity Interests of such Subsidiary, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Credit Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Credit Party (to the extent required pursuant to the Security Agreements), (iv) cause such new Subsidiary (other than an Excluded Subsidiary) (E) to execute a joinder agreement to the Guaranty and a joinder agreement to each applicable Security Document, substantially in the form annexed thereto, (F) if such new Subsidiary owns any Material Real Property, cause such new Subsidiary to comply with Section 8.12(a) as to such Material Real Property and (G) to take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent and (v) at the request of the Administrative Agent, deliver to the Administrative Agent a signed copy of an opinion,

addressed to the Administrative Agent and the other Lenders, of counsel to the Credit Parties reasonably acceptable to the Administrative Agent as to such matters set forth in this Section 8.12(b) as the Administrative Agent may reasonable request.

(b) The Parent will, and will cause each of the other Credit Parties that are Restricted Subsidiaries of the Parent to, at the expense of the Parent, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent, promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent, at the Parent's expense, any additional Security Document or document or instrument supplemental to or confirmatory of the Security Documents, including opinions of counsel, or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except for Permitted Liens or as otherwise permitted by the applicable Security Document.

(c) If the Administrative Agent reasonably determines that it or the Lenders are required by law or regulation to have appraisals prepared in respect of any Mortgaged Property, the Parent will, at its own expense, provide to the Administrative Agent appraisals which (to the extent applicable) satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of the Financial Institution Reform, Recovery and Enforcement Act of 1989, as amended, and which shall otherwise be in form and substance reasonably satisfactory to the Administrative Agent.

(d) The Parent agrees that each action required by clauses (a) through (d) of this Section 8.12 shall be completed as soon as reasonably practicable, but in no event later than 90 days after such action is required to be taken pursuant to such clauses or requested to be taken by the Administrative Agent or the Required Lenders (or such longer period as the Administrative Agent shall otherwise agree), as the case may be; *provided* that in no event will the Parent or any of its Restricted Subsidiaries be required to take any action, other than using its commercially reasonable efforts, to obtain consents from third parties with respect to its compliance with this Section 8.12.

Section 8.13. *Post-Closing Actions*. The Parent agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 8.13 as soon as commercially reasonable and by no later than the date set forth in Schedule 8.13 with respect to such action or such later date as the Administrative Agent may reasonably agree.

Section 8.14. *Permitted Acquisitions*. (g) Subject to the provisions of this Section 8.14 and the requirements contained in the definition of Permitted Acquisition, the Parent and its Restricted Subsidiaries may from time to time after the Closing Date effect Permitted Acquisitions, so long as (in each case except to the extent the Required Lenders otherwise specifically agree in writing in the case of a specific Permitted Acquisition):

(iii) no Event of Default shall have occurred and be continuing at the time of the consummation of the proposed Permitted Acquisition or immediately after giving effect thereto;

(iv) the Acquired Entity or Business shall be engaged in a business permitted by Section 9.09;

(v) the Payment Conditions shall be satisfied for such Permitted Acquisition; *provided* that the aggregate consideration paid by the Parent and its Restricted Subsidiaries in connection with Permitted Acquisitions consummated from and after the Closing Date where the Acquired Entity or Business does not become a Subsidiary Guarantor (in the case of an Acquired Entity) or owned by a Subsidiary Guarantor (in the case of a Business) shall not exceed the greater of (x) $60,000,000 and (y) 7.50% of Consolidated Total Assets, *plus* the "Available Amount" (as determined in accordance with the Term Loan Credit Agreement as in effect on the date hereof) at such time;

(vi) after completion of the Permitted Acquisition, neither the Parent nor any of its Subsidiaries maintains, contributes to, or has any liability or contingent liability with respect to Canadian Defined Benefit Plans, where Canadian Unfunded Pension Liability exists in an amount exceeding the Threshold Amount or in such amount as would reasonably be expected to result in a Material Adverse Effect; and

(vii) the Parent shall have delivered to the Administrative Agent and each Lender a certificate executed by its chief financial officer or treasurer, certifying to the best of such officer's knowledge, compliance with the requirements of the preceding clauses (i) through (iv), inclusive.

(h) At the time of each Permitted Acquisition involving the creation or acquisition of a Restricted Subsidiary, or the acquisition of Equity Interests of any Person, the Equity Interests thereof created or acquired in connection with such Permitted Acquisition shall be pledged for the benefit of the Secured Creditors pursuant to (and to the extent required by) the Pledge Agreement; *provided* that the pledge of the outstanding capital stock of any FSHCO or CFC shall be limited to (x) no more than sixty-five percent (65%) of the total combined voting power for all classes of the voting Equity Interests of such Foreign Subsidiary and (y) one-hundred percent (100%) of the non- voting Equity Interest of such FSHCO or CFC; *provided* that for the avoidance of doubt, no FSHCO or CFC shall be required to pledge any of its assets in connection with any such Permitted Acquisition.

(i) The Parent shall cause each Restricted Subsidiary (other than an Excluded Subsidiary, subject to clause (a)(iii) of Section 8.14(a)) which is formed to effect, or is acquired pursuant to, a Permitted Acquisition to comply with, and to execute and deliver all of the documentation as and to the extent required by, Section 8.12, to the reasonable satisfaction of the Administrative Agent.

(j) The consummation of each Permitted Acquisition shall be deemed to be a representation and warranty by the Parent that the certifications pursuant to this Section 8.14 are true and correct in all material respects and that all conditions thereto have been satisfied and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all

purposes hereunder, including, without limitation, Articles 7 and 10.

Section 8.15. *Credit Ratings*. The Parent shall use commercially reasonable efforts to maintain a corporate credit rating from S&P and a corporate family rating from Moody's, in each case, with respect to the Parent, and a credit rating from S&P and Moody's with respect to the Indebtedness incurred pursuant to this Agreement, in all cases, but not a specific rating.

Section 8.16. *Designation of Subsidiaries*. The Parent may at any time after the Closing Date designate any Subsidiary acquired or created after the Closing Date as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary by written notice to the Administrative Agent; *provided* that (i) the Payment Conditions shall be satisfied for such designation, (ii) immediately before and after such designation, no Event of Default shall have occurred and be continuing, (iii) immediately after giving effect to such designation, the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, as of the last day of the period of four consecutive fiscal quarters of the Parent then most recently ended for which financial statements have been delivered), does not exceed 5.50 to 1.00, (iv) in the case of the designation of any Subsidiary as an Unrestricted Subsidiary, such designation shall constitute an Investment in such Unrestricted Subsidiary for purposes of Section 9.05 (calculated as an amount equal to the sum of (x) the net worth of the Subsidiary designated immediately prior to such designation (such net worth to be calculated without regard to any Obligations of such Subsidiary under the Guaranty) and (y) the aggregate principal amount of any Indebtedness owed by the Subsidiary to the Parent or any of its Subsidiaries immediately prior to such designation, all calculated, except as set forth in the parenthetical to clause (x) above, on a consolidated basis in accordance with IFRS), and such Investment must otherwise be permitted at such time under Section 9.05, (v) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "**Restricted Subsidiary**" for the purpose of (I) the Term Loan Credit Agreement, (II) any Refinancing Notes Indenture, any Permitted Junior Notes Document or (III) any other debt instrument, in the case of this clause (III), with a principal amount in excess of the Threshold Amount, (vi) immediately after giving effect to the designation of an Unrestricted Subsidiary as a Restricted Subsidiary, the Parent shall comply with the provisions of Section 8.12 with respect to such designated Restricted Subsidiary, (vii) no Restricted Subsidiary may be a Subsidiary of an Unrestricted Subsidiary, (viii) in the case of the designation of any Subsidiary as an Unrestricted Subsidiary, no recourse whatsoever (whether by contract or by operation of law or otherwise) may be had to the Parent or any of its Restricted Subsidiaries or any of their respective properties or assets for any obligations of such Unrestricted Subsidiary, and (ix) the Parent shall have delivered to the Administrative Agent and each Lender a certificate executed by its chief financial officer or treasurer, certifying to the best

of such officer's knowledge, compliance with the requirements of the preceding clauses (i) through (viii), inclusive, and containing the calculations (in reasonable detail) required by the preceding clause (iii). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a return on any Investment by the Parent in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of the Parent's Investment in such Subsidiary. Notwithstanding any other provision of this Agreement, **[Redacted – Name of Subsidiary]** may not be designated as an Unrestricted Subsidiary.

Section 8.17. *Collateral Monitoring and Reporting.*

(d) *Appraisals and Borrowing Base Certificates* .

(viii) The Lead Borrowers shall deliver to the Administrative Agent a satisfactory (A) field exam and inventory appraisal from an appraiser reasonably acceptable to the Administrative Agent and (B) a Borrowing Base Certificate in form and substance reasonably satisfactory to the Administrative Agent on or prior to the 90th day following the Closing Date.

(ix) Notwithstanding the preceding clause (i), by the 20th day of each month, the Lead Borrowers shall deliver to the Administrative Agent (and the Administrative Agent shall promptly deliver same to the Lenders) a Borrowing Base Certificate (or, if applicable, an Interim Borrowing Base Certificate) prepared as of the close of business on the last Business Day of the previous month (*provided* that, during the occurrence of a Liquidity Period, the Lead Borrowers shall deliver to the Administrative Agent weekly Borrowing Base Certificates (or, if applicable, Interim Borrowing Base Certificates) by Wednesday of every week prepared as of the close of business on Friday of the previous week, which weekly Borrowing Base Certificates shall be in standard form unless otherwise reasonably agreed to by the Administrative Agent; it being understood that (x) Inventory amounts shown in the Borrowing Base Certificates (or, if applicable, Interim Borrowing Base Certificates) delivered on a weekly basis will be based on the Inventory amount (A) set forth in the most recent weekly report, where possible, and (B) for the most recently ended month for which such information is available with regard to locations where it is impracticable to report Inventory more frequently, and (xi) the amount of Eligible Accounts shown in such Borrowing Base Certificate (or, if applicable, such Interim Borrowing Base Certificate) will be based on the amount of the gross Accounts set forth in the most recent weekly report, less the amount of ineligible Accounts reported for the most recently ended month). All calculations of Availability in any Borrowing Base Certificate (or, if applicable, any Interim Borrowing Base Certificate) shall be made by the Parent and certified by a Responsible Officer, *provided* that the Administrative Agent may from time to time review and adjust any such calculation in consultation with the Parent to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Reserves. That segment of

the Borrowing Base Certificate that sets forth the Canadian Borrowing Base shall set forth Accounts in their invoiced currencies.

(e) *Records and Schedules of Accounts and Inventory* . Each Lead Borrower shall keep accurate and complete records of its Accounts, including all payments and collections thereon, and shall submit to the Administrative Agent sales, collection, reconciliation and other reports in form reasonably satisfactory to the Administrative Agent on a periodic basis (but not more frequently than at the time of delivery of each of the financials required pursuant to Section 8.01(a) and (b)). Each Lead Borrower shall also provide to the Administrative Agent, on or before the 20th day of each month (i) a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's Account Debtor name and the amount, invoice date and due date as the Administrative Agent may reasonably request, (ii) a report identifying all locations where the Borrowers store any Inventory and including details of the quantity and value of Inventory stored at each such location and (iii) during any Liquidity Period, a balance sheet (consolidated for all Credit Parties), as of the most recent month-end. If Accounts owing from any single Account Debtor in an aggregate face amount of $1,000,000 or more cease to be Eligible Accounts, the Borrowers shall notify the Administrative Agent of such occurrence promptly (and in any event within three (3) Business Days) after any Responsible Officer of the Parent has actual knowledge thereof.

(f) *Maintenance of Dominion Account*. Within ninety (90) days (or such later date as Administrative Agent may agree in its reasonable discretion) of the Closing Date (or, with respect to any Collection Account or Concentration Account opened following the Closing Date, within thirty (30) days (or such later date as the Administrative Agent may agree in its reasonable discretion) after the date such Credit Party notifies the Administrative Agent of the opening of such Collection Account or Concentration Account or the date any Person becomes a Credit Party hereunder), (i) each Credit Party shall cause each bank or other depository institution at which any Collection Account or Concentration Account is maintained, to enter into a Deposit Account Control Agreement that provides for such bank or other depository institution to transfer to a Dominion Account, on a daily basis, all balances in each Collection Account or Concentration Account maintained by any Credit Party with such depository institution, for application to the Obligations then outstanding following the receipt by such bank or other depository institution of a Liquidity Notice (it being understood that the Administrative Agent shall reasonably promptly deliver a copy of such Liquidity Notice to the Parent), (ii) the Borrowers shall establish each Dominion Account and obtain an agreement (in form reasonably satisfactory to the Administrative Agent) from each Dominion Account bank, establishing the Administrative Agent's control over and Lien in each Dominion Account, which may be exercised by the Administrative Agent during any Liquidity Period, requiring immediate deposit of all remittances received to a Dominion Account, (iii) each Credit Party irrevocably appoints the Administrative Agent as such Credit Party's attorney-in-fact to collect such

balances during a Liquidity Period to the extent any such delivery is not so made and (iv) each Credit Party shall instruct each Account Debtor to make all payments with respect to Accounts into Collection Accounts or Concentration Accounts subject to Deposit Account Control Agreements, or the Credit Parties shall immediately direct any such payments into Deposit Accounts subject to Deposit Account Control Agreements (it being understood that it shall not be a Default or Event of Default if any such payments are deposited in an account other than a Collection Account or Concentration Account). The Administrative Agent and the Lenders assume no responsibility to the Borrowers for any lockbox arrangement or Dominion Account, including any claim of accord and satisfaction or release with respect to any check, draft or other item of payment payable to a Borrower (including those constituting proceeds of Collateral) accepted by any bank.

(g) *Proceeds of Accounts*. If any Borrower receives cash or any check, draft or other item of payment payable to a Borrower with respect to any Accounts, it shall hold the same in trust for the Administrative Agent and promptly deposit the same into any such Collection Account, Concentration Account or Dominion Account (it being understood that it shall not be a Default or Event of Default if any such payments are deposited in any account other than a Collection Account or a Concentration Account).

(h) *Administration of Deposit Accounts*. Schedule 8.17(e) sets forth all Collection Accounts and or Concentration Accounts maintained by the Credit Parties, including all Dominion Accounts, as of the Closing Date. Subject to Section 8.17(c), each Credit Party shall take all actions necessary to establish the Administrative Agent's control (within the meaning of the UCC) over each Collection Account and each Concentration Account at all times. Each Credit Party shall be the sole account holder of each Collection Account or Concentration Account and shall not allow any other Person (other than the Administrative Agent, the Term Loan Agent and the applicable depositary bank) to have control over a Collection Account or Concentration Account or any deposits therein. Each Lead Borrower shall promptly notify the Administrative Agent of any opening or closing of a Collection Account or Concentration Account, and shall not open any Collection Account or Concentration Account at a bank not reasonably acceptable to the Administrative Agent.

ARTICLE 9
NEGATIVE COVENANTS

The Parent and each of its Restricted Subsidiaries hereby covenant and agree that on and after the Closing Date and so long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than (i) any indemnification obligations arising hereunder which are not then due and payable and (ii) Secured Bank Product Obligations) shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding (unless Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent).

Section 9.01. *Liens*. The Parent will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets (real or personal, tangible or intangible) of the Parent or any of its Restricted Subsidiaries, whether now owned or hereafter acquired, or sell accounts receivable with recourse to the Parent or any of its Restricted Subsidiaries) or authorize the filing of any financing statement under the UCC or PPSA with respect to any Lien or any other similar notice of any Lien under any similar recording or notice statute; *provided* that the provisions of this Section 9.01 shall not prevent the creation, incurrence, assumption or existence of, or any filing in respect of, the following (Liens described below are herein referred to as "**Permitted Liens**"):

(l) Liens for Taxes, assessments or governmental charges or levies not overdue or Liens for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with IFRS (or, for Foreign Subsidiaries, in conformity with generally accepted accounting principles that are applicable in their respective jurisdiction of organization);

(m) Liens in respect of property or assets of the Parent or any of its Restricted Subsidiaries imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, contractors', materialmen's and mechanics' liens and other similar Liens arising in the ordinary course of business, and which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or assets, and for which adequate reserves have been established in accordance with IFRS;

(n) Liens in existence on the Closing Date which are listed, and the property subject thereto described, in Schedule 9.01(c) (or to the extent not listed on such Schedule 9.01(c), where the fair market value of all property to which such Liens under this clause (iii) attach is less than $5,000,000 in the aggregate), *plus* modifications, renewals, replacements, refinancings and extensions of such Liens, *provided* that (x) the aggregate principal amount of the Indebtedness, if any, secured by such Liens does not increase from that amount outstanding at the time of any such renewal, replacement or extension, *plus* accrued and unpaid interest and cash fees and expenses (including premium) incurred in connection with such renewal, replacement or extension and (y) any such renewal, replacement or extension does not encumber any additional assets or properties of the Parent or any of its Restricted Subsidiaries (other than after-acquired property that is affixed or incorporated into the property encumbered by such Lien on the Closing Date and the proceeds and products thereof) unless such Lien is permitted under the other provisions of this Section 9.01;

(o) (x) Liens created pursuant to the Credit Documents, (y) Liens securing Obligations (as defined in the Term Loan Credit Agreement) and the credit documents related thereto and incurred pursuant to Section 9.04(i)(y); *provided* that in the case of Liens securing such Indebtedness under the Term Loan Credit Agreement, the collateral agent under the Term Loan Credit Agreement (or other applicable representative thereof on behalf of the

holders of such Indebtedness) shall have entered into with the Administrative Agent and/or the Collateral Agent the ABL/Term Intercreditor Agreement and (z) Liens securing any Refinancing Notes incurred in accordance with Section 2.17 of the Term Loan Credit Agreement, subject to the ABL/Term Intercreditor Agreement or the Additional Intercreditor Agreement, as applicable;

(p) Leases, subleases, licenses or sublicenses (including licenses or sublicenses of Intellectual Property) granted to other Persons not materially interfering with the conduct of the business of the Parent or any of its Restricted Subsidiaries;

(q) Liens upon assets of the Parent or any of its Restricted Subsidiaries subject to Capitalized Lease Obligations to the extent such Capitalized Lease Obligations are permitted by Section 9.04(c), *provided* that (x) such Liens serve only to secure the payment of Indebtedness and/or other monetary obligations arising under such Capitalized Lease Obligation and (y) the Lien encumbering the asset or assets giving rise to such Capitalized Lease Obligation does not encumber any asset of the Parent or any of its Restricted Subsidiaries other than the proceeds of the assets giving rise to such Capitalized Lease Obligations;

(r) Liens placed upon equipment, machinery or other fixed assets acquired or constructed after the Closing Date and used in the ordinary course of business of the Parent or any of its Restricted Subsidiaries and placed at the time of the acquisition or construction thereof by the Parent or such Restricted Subsidiary or within 270 days thereafter to secure Indebtedness incurred to pay all or a portion of the purchase or construction price thereof or to secure Indebtedness incurred solely for the purpose of financing the acquisition or construction of any such equipment, machinery or other fixed assets or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, *provided* that (x) the Indebtedness secured by such Liens is permitted by Section 9.04(c) and (y) in all events, the Lien encumbering the equipment, machinery or other fixed assets so acquired or constructed does not encumber any other asset of the Parent or such Restricted Subsidiary; *provided* that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender on customary terms;

(s) easements, rights-of-way, restrictions (including zoning restrictions), encroachments, protrusions and other similar charges or encumbrances and minor title deficiencies, which individually or in the aggregate do not materially interfere with the conduct of the business of the Parent or any of its Restricted Subsidiaries;

(t) Liens arising from precautionary UCC, PPSA or other similar financing statement filings regarding operating leases or consignments entered into in the ordinary course of business;

(u) attachment and judgment Liens, to the extent and for so long as the underlying judgments and decrees do not constitute an Event of Default pursuant to Section 10.01(i);

(v) statutory and common law landlords' liens under leases to which the Parent

or any of its Restricted Subsidiaries is a party;

(w) Liens (other than Liens imposed under ERISA or in respect of any Canadian Pension Plan) incurred in the ordinary course of business in connection with workers' compensation claims, unemployment insurance and social security benefits and Liens securing the performance of bids, tenders, leases and contracts in the ordinary course of business, statutory obligations, surety, stay, customs or appeal bonds, performance bonds and other obligations of a like nature (including (i) those to secure health, safety and environmental obligations and (ii) those required or requested by any Governmental Authority other than letters of credit) incurred in the ordinary course of business;

(x) With respect to any Mortgaged Property, Permitted Encumbrances;

(y) Liens on property or assets (other than Accounts or Inventory, unless such Liens are expressly made junior to the Liens in favor of the Administrative Agent) acquired pursuant to a Permitted Acquisition, or on property or assets of a Restricted Subsidiary of the Parent in existence at the time such Restricted Subsidiary is acquired pursuant to a Permitted Acquisition, provided that (x) any Indebtedness that is secured by such Liens is permitted to exist under Section 9.04, and (y) such Liens are not incurred in connection with, or in contemplation or anticipation of, such Permitted Acquisition and do not attach to any other asset of the Parent or any of its Restricted Subsidiaries; and any extensions, renewals and replacements thereof so long as the aggregate principal amount of the Indebtedness secured by such Liens does not increase from that amount outstanding at the time of any such extension, renewal or replacement, plus accrued and unpaid interest and cash fees and expenses (including premium) incurred in connection with such renewal, replacement or extension, and such extension, renewal or replacement does not encumber any asset or properties of the Parent or any of its Restricted Subsidiaries other than the proceeds of the assets subject to such Lien;

(z) deposits or pledges to secure bids, tenders, contracts (other than contracts for the repayment of borrowed money), leases, statutory obligations, surety, stay, customs and appeal bonds and other obligations of like nature (including (i) those to secure health, safety and environmental obligations and (ii) those required or requested by any Governmental Authority other than letters of credit), and as security for the payment of rent, in each case arising in the ordinary course of business;

(aa) Liens on assets of Foreign Subsidiaries securing Indebtedness of Foreign Subsidiaries permitted pursuant to Section 9.04;

(bb) any interest or title of a lessor, sublessor, licensee, sublicensee, licensor or sublicensor under any lease, sublease, license or sublicense agreement (including software and other technology licenses) in the ordinary course of business;

(cc) Liens on property subject to Sale-Leaseback Transactions to the extent such Sale-Leaseback Transactions are permitted by Section 9.02(k);

(dd) any encumbrances or restrictions (including, without limitation, put and call agreements) with respect to the Equity Interests of any Joint Venture expressly permitted by the terms of this Agreement arising pursuant to the agreement evidencing such Joint Venture;

(ee) Liens on Collateral in favor of any Credit Party securing intercompany Indebtedness permitted by Section 9.05, provided that any Liens securing Indebtedness that is required to be subordinated pursuant to Section 9.05 shall be subordinated to the Liens created pursuant to the Security Documents;

(ff) Liens on specific items of inventory or other goods (and proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, and pledges or deposits in the ordinary course of business;

(gg) Liens on insurance policies and the proceeds thereof (whether accrued or not) and rights or claims against an insurer, in each case securing insurance premium financings permitted under Section 9.04(h);

(hh) Liens that may arise on inventory or equipment of the Parent or any of its Restricted Subsidiaries in the ordinary course of business as a result of such inventory or equipment being located on premises owned by Persons other than the Parent and its Restricted Subsidiaries;

(ii) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(jj) Liens (i) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(kk) *[Reserved]*;

(ll) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence or issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Parent or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Parent or any Restricted Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of the Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(mm) Liens attaching solely to cash earnest money deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition or other Investment permitted hereunder;

(nn) Liens not otherwise permitted by the foregoing clauses (a) through (bb), or by following clauses (dd) through (mm), to the extent attaching to properties and assets that do not constitute Accounts or Inventory (unless such Liens are expressly made junior to the Liens in favor of the Administrative Agent) and with an aggregate fair market value not in excess of, and securing liabilities not in excess of, the greater of $20,000,000 and 2.50% of Consolidated Total Assets in the aggregate at any time outstanding;

(oo) Liens on Collateral (as defined in the Security Documents) securing obligations of Credit Parties under Permitted Junior Loans and Permitted Junior Notes that are secured as provided in the definitions thereof, or Liens on assets of non-Credit Parties securing obligations of non-Credit Parties under Permitted Junior Loans and Permitted Junior Notes to the extent permitted by Section 9.04 (xxix);

(pp) cash deposits with respect to any Refinancing Notes or any Permitted Junior Debt or any other Indebtedness, in each case to the extent permitted by Section 9.07;

(qq) [Reserved];

(rr) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Parent or any Restricted Subsidiary in the ordinary course of business;

(ss) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(tt) (i) zoning, building, entitlement and other land use regulations by Governmental Authorities with which the normal operation of the business of the Parent and the Restricted Subsidiaries complies, and (ii) any zoning or similar law or right reserved to or vested in, or any development agreement, site plan agreement, subdivision agreement or other similar agreement with any Governmental Authority to control or regulate the use of any real property lease, license, franchise, grant or permit that does not materially interfere with the ordinary conduct of the business of the Parent or any Restricted Subsidiary;

(uu) deposits made in the ordinary course of business to secure liability to insurance carriers;

(vv) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof;

(ww) so long as no Default has occurred and is continuing at the time of

granting such Lien, Liens on cash deposits in an aggregate amount not to exceed $10,000,000 securing any Swap Contracts permitted hereunder;

(xx) Liens on cash or Cash Equivalents (and the related escrow accounts) in connection with the issuance into (and pending the release from) escrow of any Refinancing Notes, or any Permitted Junior Debt; and

(yy) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit of the Parent or any Restricted Subsidiary to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof.

In connection with the granting of Liens of the type described in this Section 9.01 by the Parent or any of its Restricted Subsidiaries, the Administrative Agent and the Collateral Agent shall, and shall be authorized to, take any actions deemed appropriate by it in connection therewith (including, without limitation, by executing appropriate lien releases or lien subordination agreements in favor of the holder or holders of such Liens, in either case solely with respect to the item or items of equipment or other assets subject to such Liens).

Section 9.02. *Consolidation, Merger, or Sale of Assets, etc* . The Parent will not, and will not permit any of its Restricted Subsidiaries to, wind up, liquidate or dissolve its affairs or enter into any partnership, joint venture, or transaction of merger, amalgamation or consolidation, or convey, sell, lease or otherwise dispose of all or any part of its property or assets, or enter into any sale-leaseback transactions of any Person, except that:

(k) any Investment permitted by Section 9.05 may be structured as a merger, consolidation or amalgamation so long as, in the case of any merger, consolidation or amalgamation involving the Parent or any Borrower, the Parent or such Borrower is the surviving entity;

(l) The Parent and its Restricted Subsidiaries may sell assets comprising Term Priority Collateral, ABL Priority Collateral other than Accounts and Inventory (and, so long as a new Borrowing Base Certificate is delivered in connection with such sale, any Accounts or Inventory) so long as (x) each such sale is on terms and conditions not less favorable to the Parent or such Restricted Subsidiary as would reasonably be obtained by the Parent or such Restricted Subsidiary at that time in a comparable arm’s-length transaction with a Person other than an Affiliate and the Parent or the respective Restricted Subsidiary receives at least fair market value (as determined in good faith by the Parent or such Restricted Subsidiary, as the case may be) and (y) in the case of any single transaction that involves assets or Equity Interests having a fair market value of more than $2,500,000, at least 75% of the consideration received by the Parent or such Restricted Subsidiary shall be in the form of cash, Cash Equivalents or, subject to the proviso below, Designated Non-Cash Consideration (taking into account the amount of cash and Cash Equivalents, the principal amount of any promissory notes and the fair market value, as determined by the Parent or such Restricted Subsidiary, as the case may be, in good faith, of any other consideration

(including Designated Non-Cash Consideration)) and is paid at the time of the closing of such sale; *provided*, *however*, that for purposes of this clause (y), the following shall be deemed to be cash: (ix) any liabilities (as shown on the Parent or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Parent or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee with respect to the applicable disposition and for which the Parent and the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing, (x) any securities received by the Parent or such Restricted Subsidiary from such transferee that are converted by the Parent or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in the conversion) within 180 days following the closing of the applicable asset sale, and (xi) any Designated Non-Cash Consideration received by the Parent or any of its Restricted Subsidiaries in such asset sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed the greater of (A) $20,000,000 and (B) 2.50% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(m) each of the Parent and its Restricted Subsidiaries may lease (as lessee) or license (as licensee) real or personal property (so long as any such lease or license does not create a Capitalized Lease Obligation except to the extent permitted by Section 9.04(c));

(n) each of the Parent and its Restricted Subsidiaries may sell or discount, in each case in the ordinary course of business, accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof and not as part of any financing transaction;

(o) each of the Parent and its Restricted Subsidiaries may grant licenses, sublicenses, leases or subleases to other Persons not materially interfering with the conduct of the business of the Parent or any of its Restricted Subsidiaries, including of Intellectual Property;

(p) (w) any U.S. Subsidiary of the Parent may be merged, consolidated, dissolved or liquidated with or into any U.S. Subsidiary that is a U.S. Borrower or a Subsidiary Guarantor (so long as the surviving Person of such merger, consolidation, dissolution or liquidation is a Wholly-Owned U.S. Subsidiary of the Parent, is a corporation, limited liability company or limited partnership and is or becomes a U.S. Borrower or a Subsidiary Guarantor concurrently with such merger, consolidation, dissolution, amalgamation, or liquidation), (x) any Canadian Subsidiary of the Parent may be consolidated, dissolved, amalgamated or liquidated with or into the Parent (so long as the surviving or resulting Person of such consolidation, dissolution, amalgamation or liquidation is a corporation organized or existing under the laws of Canada or any province or territory thereof and, such Person expressly assumes or confirms, as applicable, in writing, all the obligations of

the Parent under the Credit Documents pursuant to an assumption agreement or confirmation, in each case in form and substance reasonably satisfactory to the Administrative Agent) or any Canadian Subsidiary that is a Canadian Borrower or a Subsidiary Guarantor (so long as the surviving or resulting Person of such consolidation, dissolution, amalgamation or liquidation is a Wholly-Owned Canadian Subsidiary of the Parent, is a corporation or limited partnership and is or becomes a Canadian Borrower or a Subsidiary Guarantor concurrently with such consolidation, dissolution, amalgamation, or liquidation and such Person expressly assumes or confirms, as applicable, in writing, all the obligations of such Subsidiaries under the Credit Documents pursuant to an assumption agreement or confirmation, as applicable, in each case in form and substance reasonably satisfactory to the Administrative Agent) (y) any Foreign Subsidiary of the Parent may be merged, consolidated, dissolved, amalgamated or liquidated with or into any Wholly-Owned Foreign Subsidiary of the Parent or any Wholly-Owned Domestic Subsidiary of the Parent that is an Excluded Subsidiary, so long as such Wholly-Owned Foreign Subsidiary or such Excluded Subsidiary, as applicable, is the surviving corporation of such merger, consolidation, dissolution, amalgamation or liquidation and (z) any Foreign Subsidiary of the Parent may be merged, consolidated, dissolved, amalgamated or liquidated with or into any Credit Party (so long as such Credit Party is the surviving corporation of such merger, consolidation, dissolution, amalgamation or liquidation); *provided* that any such merger, consolidation, dissolution, amalgamation or liquidation shall only be permitted pursuant to this clause (f), so long as (vi) no Default and no Event of Default then exists or would exist immediately after giving effect thereto and (vii) any security interests or hypothecs granted to the Collateral Agent for the benefit of the Secured Creditors in the assets (and Equity Interests) of any such Person subject to any such transaction shall remain in full force and effect and perfected and enforceable (to at least the same extent as in effect immediately prior to such merger, consolidation, dissolution, amalgamation or liquidation);

(q) each of the Parent and its Restricted Subsidiaries may make sales or leases of (ix) inventory and (x) goods held for sale, in each case, in the ordinary course of business and (xi) immaterial assets with a fair market value, in the case of this clause (iii), of less than $7,500,000 in the aggregate;

(r) each of the Parent and its Restricted Subsidiaries may sell or otherwise dispose of (xii) outdated, obsolete, surplus or worn out property and (xiii) property no longer used or useful in the conduct of the business of the Parent and its Restricted Subsidiaries, in each case, in the ordinary course of business;

(s) each of the Parent and its Restricted Subsidiaries may sell or otherwise dispose of assets acquired pursuant to a Permitted Acquisition which assets (w) are not used or useful to the core or principal business of the Parent and its Restricted Subsidiaries, (x) have a fair market value not in excess of $10,000,000, (y) the aggregate proceeds (determined in a manner consistent with clause (x) above) received by the Parent or such Restricted Subsidiary) from all such sales, transfers or dispositions relating to a given Permitted Acquisition shall not exceed 30% of the aggregate consideration paid for such Permitted Acquisition, and (z) such assets are sold, transferred or disposed of on or prior to the first

anniversary of the relevant Permitted Acquisition;

(t) in order to effect a sale, transfer or disposition otherwise permitted by this Section 9.02, a Restricted Subsidiary of the Parent may be merged, amalgamated or consolidated with or into another Person, or may be dissolved or liquidated;

(u) each of the Parent and its Restricted Subsidiaries may effect Sale-Leaseback Transactions involving real property acquired after the Closing Date and not more than 180 days prior to such Sale-Leaseback Transaction for cash in an amount at least equal to the cost of such property;

(v) the Parent and its Subsidiaries may consummate the Transaction and make any dispositions on the Closing Date contemplated by the Acquisition Agreement to consummate the Transaction;

(w) each of the Parent and its Restricted Subsidiaries may issue or sell Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(x) each of the Parent and its Restricted Subsidiaries may make transfers of property subject to casualty or condemnation proceedings upon the occurrence of the related Recovery Event;

(y) each of the Parent and its Restricted Subsidiaries may abandon Intellectual Property rights in the ordinary course of business, which in the reasonable good faith determination of the Parent or a Restricted Subsidiary are not material to the conduct of the business of the Parent and its Restricted Subsidiaries taken as a whole;

(z) each of the Parent and its Restricted Subsidiaries may make voluntary terminations of or unwind Swap Contracts;

(aa) each of the Parent and its Restricted Subsidiary may sell or otherwise dispose of property; *provided*, that at the time such sale or disposition is made, the Payment Conditions are satisfied and, in the case of a sale or disposition of Accounts or Inventory, a new Borrowing Base Certificate is delivered in connection with such sale or disposition demonstrating compliance, as of the time of such sale or disposition, with the Payment Conditions;

(bb) each of the Parent and its Restricted Subsidiaries may make dispositions resulting from foreclosures by third parties on properties of the Parent or any of its Restricted Subsidiaries and acquisitions by the Parent or any of its Restricted Subsidiaries resulting from foreclosures by such Persons or properties of third parties;

(cc) each of the Parent and its Restricted Subsidiaries may terminate leases and subleases;

(dd) each of the Parent and its Restricted Subsidiaries may use cash and Cash Equivalents to make payments that are otherwise permitted under Sections 9.03 and 9.07;

(ee) each of the Parent or its Restricted Subsidiaries may sell or otherwise dispose of property, for reasonably equivalent value, to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such sale or disposition are promptly applied to the purchase price of such replacement property;

(ff) sales, dispositions or contributions of property (i) between Credit Parties, (ii) between Restricted Subsidiaries (other than Credit Parties), (iii) by Restricted Subsidiaries that are not Credit Parties to the Credit Parties or (iv) by Credit Parties to any Restricted Subsidiary that is not a Credit Party; *provided* that (A) the portion (if any) of any such sale, disposition or contribution of property made for less than fair market value and (B) any noncash consideration received in exchange for any such sale, disposition or contribution of property, shall in each case constitute an Investment in such Restricted Subsidiary;

(gg) dispositions of Investments (including Equity Interests) in Joint Ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(hh) transfers of condemned property as a result of the exercise of " **eminent domain**" or other similar powers to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of property that have been subject to a casualty to the respective insurer of such real property as part of an insurance settlement;

(ii) any disposition of any asset between or among the Restricted Subsidiaries as a substantially concurrent interim disposition in connection with a disposition otherwise permitted pursuant to this Section 9.02; and

(jj) dispositions permitted by Section 9.03 or Section 9.05(z).

To the extent the Required Lenders waive the provisions of this Section 9.02 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 9.02 (other than to the Parent or a Restricted Subsidiary thereof), such Collateral shall be sold free and clear of the Liens created by the Security Documents, and the Administrative Agent and the Collateral Agent shall, and shall be authorized to, take any actions deemed appropriate in order to effect the foregoing.

Section 9.03. *Dividends*. The Parent will not, and will not permit any of its Restricted Subsidiaries to, authorize, declare or pay any Dividends with respect to the Parent or any of its Restricted Subsidiaries, except that:

(j) any Restricted Subsidiary of the Parent may pay Dividends or return capital or make distributions and other similar payments with regard to its Equity Interests to the Parent or to other Restricted Subsidiaries of the Parent which directly or indirectly own equity therein;

(k) any non-Wholly-Owned Subsidiary of the Parent may declare and pay cash Dividends to its shareholders generally so long as the Parent or its Restricted Subsidiary that owns the Equity Interests in the Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holding of the Equity Interests in the Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of Equity Interests of such Subsidiary);

(l) so long as no Default or Event of Default exists at the time of the applicable Dividend, redemption or repurchase or would exist immediately after giving effect thereto, the Parent may pay cash Dividends to redeem or repurchase, contemporaneously with such Dividend, Equity Interests of the Parent from management, employees, officers and directors (and their successors and assigns) of the Parent and its Restricted Subsidiaries; provided that (vi) the aggregate amount of Dividends made by the Parent pursuant to this clause (c), and the aggregate amount paid by the Parent in respect of all such Equity Interests so redeemed or repurchased shall not (net of any cash proceeds received by the Parent from issuances of its Equity Interests and contributed to the Parent in connection with such redemption or repurchase), in either case, exceed either (x) during any fiscal year of the Parent, $7,500,000 (provided that subject to the immediately succeeding clause (y), the amount of cash Dividends permitted to be, but not, paid in any fiscal year pursuant to this clause (c) shall increase the amount of cash Dividends permitted to be paid in any succeeding fiscal year pursuant to this clause (c)) or (y) for all periods after the Closing Date (taken as a single period), $20,000,000; (vii) such amount in any calendar year may be increased by an amount not to exceed: (A) the cash proceeds of key man life insurance policies received by the Parent or any of its Restricted Subsidiaries after the Closing Date; plus (B) the net proceeds from the sale of Equity Interests of the Parent, in each case to members of management, managers, directors or consultants of the Parent or any of its Subsidiaries that occurs after the Closing Date, where the net proceeds of such sale are received by or contributed to the Parent; less (C) the amount of any Dividends previously made with the cash proceeds described in the preceding clause (A); and (viii) cancellation of Indebtedness owing to the Parent from members of management, officers, directors, employees of the Parent or any of its Subsidiaries in connection with a repurchase of Equity Interests of the Parent will not be deemed to constitute a Dividend for purposes of this Agreement;

(m) any Dividend used to fund the Transaction, including Transaction Costs;

(n) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants or similar equity incentive awards;

(o) the Parent may pay any Dividends so long as the Distribution Conditions are satisfied immediately after giving effect to such Dividend;

(p) purchases of minority interests in non-Wholly-Owned Subsidiaries by the Credit Parties; *provided*, that the aggregate amount of such purchases, when added to the aggregate amount of Investments pursuant to Section 9.05(q), shall not exceed $10,000,000;

(q) the declaration and payment of dividends or the payment of other distributions

by the Parent in an aggregate amount since the Closing Date not to exceed $10,000,000, less any amounts used under Section 9.07(a)(ii);

(r) the Parent and each Restricted Subsidiary may declare and make dividend payments or other distributions payable solely in the common Equity Interests of such Person so long as in the case of dividend or other distribution by a Restricted Subsidiary, the Parent or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution; and

(s) the Parent and any Restricted Subsidiary may pay dividends and distributions within 60 days after the date of declaration thereof, if at the date of declaration of such payment, such payment would have complied with another provision of this Section 9.03.

Section 9.04. *Indebtedness*. The Parent will not, and will not permit any of its Restricted Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness, except:

(d) (x) Indebtedness incurred pursuant to this Agreement and the other Credit Documents, (y) Indebtedness incurred pursuant to the Term Loan Credit Agreement in an amount not to exceed (A) $450,000,000, *plus* (B) Incremental Term Loans *minus* (C) amounts incurred pursuant to subclause (z) of this clause (a) other than such amounts representing unpaid accrued interest and premium (if any) on the Term Loans being refinanced, renewed, replaced, defeased or refunded and upfront fees, underwriting discounts, fees, commissions and expenses incurred in connection with the applicable Refinancing Term Loans and/or Refinancing Notes and (z) Indebtedness under Refinancing Notes and Refinancing Term Loans incurred pursuant to the terms of the Term Loan Credit Agreement and Permitted Refinancings thereof;

(e) Indebtedness under Swap Contracts entered into with respect to other Indebtedness permitted under this Section 9.04 so long as the entering into of such Swap Contracts are bona fide hedging activities and are not for speculative purposes;

(f) Indebtedness of the Parent and its Restricted Subsidiaries consisting of Capitalized Lease Obligations and purchase money Indebtedness (including obligations in respect of mortgages, industrial revenue bonds, industrial development bonds and similar financings) described in Section 9.01(g); *provided* that in no event shall the aggregate principal amount of Capitalized Lease Obligations and the principal amount of all such Indebtedness incurred or assumed in each case after the Closing Date permitted by this clause (iii) exceed the greater of $20,000,000 and 2.50% of Consolidated Total Assets at any one time outstanding;

(g) Indebtedness of a Restricted Subsidiary of the Parent acquired pursuant to a Permitted Acquisition (or Indebtedness assumed at the time of a Permitted Acquisition of an asset securing such Indebtedness), *provided* that (x) such Indebtedness was not incurred in connection with, or in anticipation or contemplation of, such Permitted Acquisition and (y) in no event shall the aggregate principal amount of Indebtedness incurred or assumed

in each case after the Closing Date permitted by this clause (d) exceed the greater of $25,000,000 and 3.25% of Consolidated Total Assets;

(h) intercompany Indebtedness among the Parent and its Restricted Subsidiaries to the extent permitted by Section 9.05(f);

(i) Indebtedness outstanding on the Closing Date and listed on Schedule 9.04(f) (" **Existing Indebtedness**") and any Permitted Refinancing thereof;

(j) Indebtedness of Foreign Subsidiaries; *provided* that the aggregate principal amount of Indebtedness outstanding pursuant to this clause (g) shall not at any time exceed the greater of $35,000,000 and 4.50% of Consolidated Total Assets (with, for purposes of this clause (g), Consolidated Total Assets being calculated excluding all assets other than those owned by Foreign Subsidiaries);

(k) Indebtedness incurred in the ordinary course of business to finance insurance premiums or take-or-pay obligations contained in supply arrangements;

(l) Indebtedness incurred in the ordinary course of business in respect of netting services, overdraft protections, employee credit card programs, automatic clearinghouse arrangements and other similar services in connection with cash management and deposit accounts and Indebtedness in connection with the honoring of a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, including, in each case, Bank Product Debt;

(m) unsecured Indebtedness of the Parent and any or all other Credit Parties, in an aggregate outstanding principal amount not to exceed the greater of $35,000,000 and 4.50% of Consolidated Total Assets at any time, assumed or incurred in connection with any Permitted Acquisition permitted under Section 8.14, so long as such Indebtedness (and any guarantees thereof) are subordinated to the Obligations upon terms and conditions acceptable to the Administrative Agent or the Required Lenders;

(n) Permitted Refinancings of any Indebtedness incurred pursuant to clause (d) above;

(o) additional Indebtedness of the Parent and its Restricted Subsidiaries not to exceed the greater of $35,000,000 and 4.50% of Consolidated Total Assets in aggregate principal amount outstanding at any time;

(p) Contingent Obligations for customs, stay, performance, appeal, judgment, replevin and similar bonds and suretyship arrangements, and completion guarantees and other obligations of a like nature, all in the ordinary course of business;

(q) Contingent Obligations to insurers required in connection with worker's compensation and other insurance coverage incurred in the ordinary course of business;

(r) guarantees made by the Parent or any of its Restricted Subsidiaries of

Indebtedness of the Parent or any of its Restricted Subsidiaries permitted to be outstanding under this Section 9.04; *provided* that such guarantees are permitted by Section 9.05;

(s) guarantees made by any Foreign Subsidiary of Indebtedness of any other Foreign Subsidiary permitted to be outstanding under this Section 9.04;

(t) guarantees made by Restricted Subsidiaries acquired pursuant to a Permitted Acquisition of Indebtedness acquired or assumed pursuant thereto in accordance with Section 9.04, or any refinancing thereof pursuant to Section 9.04; *provided* that such guarantees may only be made by Restricted Subsidiaries who were guarantors of the Indebtedness originally acquired or assumed pursuant to Section 9.04 at the time of the consummation of the Permitted Acquisition to which such Indebtedness relates;

(u) customary Contingent Obligations in connection with sales, other dispositions and leases permitted under Section 9.02 (but not in respect of Indebtedness for borrowed money or Capitalized Lease Obligations) including indemnification obligations with respect to leases, and guarantees of collectability in respect of accounts receivable or notes receivable for up to face value;

(v) guarantees of Indebtedness of directors, officers and employees of the Parent or any of its Restricted Subsidiaries in respect of expenses of such Persons in connection with relocations and other ordinary course of business purposes;

(w) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is extinguished within two (2) Business Days of its incurrence;

(x) (x) severance, pension and health and welfare retirement benefits or the equivalent thereof to current and former employees of the Parent or its Restricted Subsidiaries incurred in the ordinary course of business, (y) Indebtedness representing deferred compensation or stock-based compensation to employees of the Parent and the Restricted Subsidiaries and (z) Indebtedness consisting of promissory notes issued by any Credit Party to current or former officers, directors and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Parent permitted by Section 9.03;

(y) (x) guarantees made by the Parent or any of its Restricted Subsidiaries of obligations (not constituting debt for borrowed money) of the Parent or any of its Restricted Subsidiaries owing to vendors, suppliers and other third parties incurred in the ordinary course of business and (y) Indebtedness of any Credit Party as an account party in respect of trade letters of credit issued in the ordinary course of business;

(z) Permitted Junior Debt of the Parent and its Restricted Subsidiaries incurred under Permitted Junior Debt Documents so long as (i) the Payment Conditions are satisfied prior to and immediately following the incurrence of such Permitted Junior Debt, (ii) 100%

of the net proceeds therefrom shall be used for working capital or other general corporate purchases (including without limitation, to finance one or more Permitted Acquisitions and to pay fees in connection therewith) and (iii) the Parent shall have furnished to the Administrative Agent a certificate from a Responsible Officer certifying as to compliance with the requirements of preceding clauses (i) and (ii);

(aa) unsecured Permitted Junior Debt of the Parent and its Restricted Subsidiaries incurred under Permitted Junior Debt Documents so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) 100% of the Net Debt Proceeds therefrom shall be used for working capital or other general corporate purposes (including without limitation, to finance one or more Permitted Acquisitions and to pay fees in connection therewith), (iii) the aggregate principal amount of unsecured Permitted Junior Debt issued or incurred after the Closing Date shall not cause the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive quarters of the Parent then most recently ended for which financial statements have been delivered), to exceed 5.50 to 1.00 (or, in the case of unsecured Indebtedness incurred in connection with a Permitted Acquisition, the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been delivered) would be lower after giving effect to such Permitted Acquisition and the incurrence of such unsecured Indebtedness than prior thereto) and (iv) the Parent shall have furnished to the Administrative Agent a certificate from a Responsible Officer certifying as to compliance with the requirements of preceding clauses (i), (ii) and (iii), containing the calculations required by preceding clause (iv), and Permitted Refinancing thereof; provided that the amount of Permitted Junior Debt which may be incurred, in the aggregate pursuant to this paragraph (y), by non-Credit Parties, shall not exceed the greater of $25,000,000 and 3.25% of Consolidated Total Assets);

(bb) Indebtedness consisting of lease obligations arising out of the Sale-Leaseback Transactions permitted by Section 9.02(k);

(cc) secured Permitted Junior Debt of the Credit Parties incurred under Permitted Junior Debt Documents so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) 100% of the Net Debt Proceeds therefrom shall be used for working capital or other general corporate purposes (including without limitation, to finance one or more Permitted Acquisitions and to pay fees in connection therewith), (iii) the aggregate principal amount of such secured Permitted Junior Debt issued or incurred after the Closing Date shall not cause the Consolidated Senior Secured Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the Test Period then most recently ended (or, if no Test Period has ended as of such time, for the period of four consecutive quarters of the Parent then most recently ended for which financial statements have been delivered), to exceed 5.25 to 1.00 and (iv) the Parent shall have furnished to the Administrative Agent a certificate from a Responsible Officer certifying as to compliance with the requirements of

preceding clauses (i), (ii) and (iii) and containing the calculations required by preceding clauses (iii), and Permitted Refinancing thereof;

(dd) Guarantees of Indebtedness of a Person in connection with a Joint Venture, provided that the aggregate principal amount of any Indebtedness so guaranteed, when added to the aggregate amount of unreimbursed payments theretofore made in respect of such guarantees and the amount of Investments then outstanding (and deemed outstanding) under Section 9.05(s), shall not exceed $10,000,000; and

(ee) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (aa) above.

Section 9.05. *Advances, Investments and Loans*. The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, lend money or credit or make advances to or guaranty the Indebtedness of any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or hold any cash or Cash Equivalents or designate a Subsidiary as an Unrestricted Subsidiary (each of the foregoing, an "Investment" and, collectively, "Investments" and with the value of each Investment being measured at the time made and without giving effect to subsequent changes in value or any write-ups, write-downs or write-offs thereof but giving effect to any cash return or cash distributions received by the Parent and its Restricted Subsidiaries with respect thereto), except that the following shall be permitted:

(a) the Parent and its Restricted Subsidiaries may acquire and hold accounts receivable owing to any of them, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms of the Parent or such Restricted Subsidiary;

(b) the Parent and its Restricted Subsidiaries may acquire and hold cash and Cash Equivalents;

(c) the Parent and its Restricted Subsidiaries may hold the Investments held by them on the Closing Date and described on Schedule 9.05(c), and any modification, replacement, renewal or extension thereof that does not increase the principal amount thereof unless any additional Investments made with respect thereto are permitted under the other provisions of this Section 9.05;

(d) the Parent and its Restricted Subsidiaries may acquire and hold Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers, and Investments received in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(e) the Parent and its Restricted Subsidiaries may enter into Swap Contracts to the extent permitted by Section 9.04(b);

(f) (v) the Parent and any Restricted Subsidiary may make intercompany loans to and other investments in Credit Parties, (vi) any Foreign Subsidiary may make intercompany loans to and other investments in the Parent or any of its Restricted Subsidiaries so long as in the case of such intercompany loans to Credit Parties, all payment obligations of the respective Credit Parties are subordinated to their obligations under the Credit Documents on terms reasonably satisfactory to the Administrative Agent, (vii) the Credit Parties may make intercompany loans to, guarantees on behalf of, and other investments in, Subsidiaries that are not Credit Parties either (x) in any amount so long as the Payment Conditions are satisfied or (y) otherwise in an amount that does not exceed the greater of $20,000,000 and 2.50% of Consolidated Total Assets, (viii) any Restricted Subsidiary that is not a Credit Party may make intercompany loans to, and other investments in, any other Restricted Subsidiary that is also not a Credit Party, (ix) Credit Parties may make intercompany loans and other investments in any Restricted Subsidiary that is not a Credit Party so long as such Investment is part of a series of simultaneous Investments by Restricted Subsidiaries in other Restricted Subsidiaries that results in the proceeds of the initial Investment being invested in one or more Credit Parties and (x) Credit Parties may make intercompany loans to, guarantees on behalf of, and other investments in, Subsidiaries that are not Credit Parties (x) to fund the operating expenses of such Subsidiaries in an amount not to exceed $250,000 during any fiscal year of the Parent and (y) to enable such Subsidiaries to pay Taxes so long as such Subsidiaries are Immaterial Subsidiaries;

(g) Permitted Acquisitions shall be permitted in accordance with Section 8.14;

(h) loans and advances by the Parent and its Restricted Subsidiaries to officers, directors and employees of the Parent and its Restricted Subsidiaries in connection with (i) relocations and other ordinary course of business purposes (including travel and entertainment expenses) shall be permitted and (ii) any such Person's purchase of Equity Interests of the Borrower; *provided* that no cash is actually advanced pursuant to this clause (h) unless immediately repaid;

(i) advances of payroll payments to employees of the Parent and its Restricted Subsidiaries in the ordinary course of business;

(j) non-cash consideration may be received in connection with any sale of assets to the extent permitted pursuant to Section 9.02(b) or (i);

(k) additional Restricted Subsidiaries of the Parent may be established or created if the Parent and such Subsidiary comply with the requirements of Section 8.12, if applicable; *provided* that to the extent any such new Subsidiary is created solely for the purpose of consummating a transaction pursuant to an acquisition permitted by this Section 9.05, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such transaction, such new Subsidiary shall not be required to take the actions set forth in Section 8.12, as applicable,

until the respective acquisition is consummated (at which time the surviving or transferee entity of the respective transaction and its Subsidiaries shall be required to so comply in accordance with the provisions thereof);

(l) extensions of trade credit may be made in the ordinary course of business (including advances made to distributors consistent with past practice), Investments received in satisfaction or partial satisfaction of previously extended trade credit from financially troubled account debtors, Investments consisting of prepayments to suppliers made in the ordinary course of business and loans or advances made to distributors in the ordinary course of business;

(m) earnest money deposits may be made to the extent required in connection with Permitted Acquisitions and other Investments to the extent permitted under Section 9.01(bb);

(n) Investments in deposit accounts or securities accounts opened in the ordinary course of business;

(o) Investments in the nature of pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business;

(p) Investments in the ordinary course of business consisting of endorsements for collection or deposit;

(q) purchases of minority interests in non-Wholly-Owned Subsidiaries by the Parent, the Borrowers and the Guarantors; *provided*, that the aggregate amount of such purchases, when added to the aggregate amount of Dividends pursuant to Section 9.03(g), shall not exceed $10,000,000;

(r) Investments (other than Permitted Acquisitions) so long as the Payment Conditions are satisfied;

(s) in addition to Investments permitted by clauses (a) through (q) and (t) through (v) of this Section 9.05, the Parent and its Restricted Subsidiaries may make additional loans, advances and other Investments to or in a Person including a Joint Venture, in an aggregate amount for all loans, advances and other Investments made pursuant to this clause (s), not to exceed the greater of $30,000,000 and 3.75% of Consolidated Total Assets;

(t) the licensing, sublicensing or contribution of Intellectual Property pursuant to arrangements with Persons other than the Parent and the Restricted Subsidiaries in the

ordinary course of business for fair market value, as determined by the Parent or such Restricted Subsidiary, as the case may be, in good faith;

(u) Investments to the extent that payment for such Investments is made solely by the issuance of Equity Interests constituting common stock or Qualified Preferred Stock of the Parent to the seller of such Investments;

(v) Investments of a Person that is acquired and becomes a Restricted Subsidiary or of a company merged or amalgamated or consolidated into any Restricted Subsidiary, in each case after the Closing Date and in accordance with this Section 9.05 and/or Section 9.02, as applicable, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation, do not constitute a material portion of the aggregate assets acquired in such transaction and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(w) Investments in a Restricted Subsidiary that is not a Credit Party or in a Joint Venture, in each case, to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Restricted Subsidiary or Joint Venture;

(x) Investments made on or prior to the Closing Date to consummate the Transaction;

(y) to the extent that they constitute Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case, in the ordinary course of business; and

(z) **[Redacted – Intercompany Investments].**

Section 9.06. *Transactions with Affiliates*. The Parent will not, and will not permit any of its Restricted Subsidiaries to, enter into any transaction or series of related transactions with any Affiliate of the Parent or any of its Subsidiaries, other than on terms and conditions not less favorable to the Parent or such Restricted Subsidiary as would reasonably be obtained by the Parent or such Restricted Subsidiary at that time in a comparable arm's-length transaction with a Person other than an Affiliate, except:

(y) Dividends may be paid to the extent provided in Section 9.03;

(z) loans and other transactions among the Parent and its Restricted Subsidiaries may be made to the extent otherwise expressly permitted under Article 9;

(aa) customary fees and indemnification (including the reimbursement of out-of-pocket expenses) may be paid to directors of the Parent and its Restricted Subsidiaries;

(bb) The Parent and its Restricted Subsidiaries may enter into, and may make payments under, employment agreements, employee benefits plans, stock option plans, indemnification provisions, stay bonuses, severance and other similar compensatory

arrangements with officers, employees and directors of the Parent and its Restricted Subsidiaries in the ordinary course of business;

(cc) the Transaction (including Transaction Costs) shall be permitted;

(dd) to the extent not otherwise prohibited by this Agreement, transactions between or among the Parent and any of its Restricted Subsidiaries shall be permitted (including equity issuances);

(ee) transactions described on Schedule 9.06(g) or any amendment thereto to the extent such an amendment is not adverse to the Lenders in any material respect;

(ff) Investments in the Parent's Subsidiaries (to the extent any such Subsidiary that is not a Restricted Subsidiary is only an Affiliate as a result of Investments by the Parent and the Restricted Subsidiaries in such Subsidiary) to the extent otherwise permitted under Section 9.05;

(gg) any payments required to be made pursuant to the Acquisition Agreement;

(hh) transactions between the Parent and any Person that is an Affiliate solely due to the fact that a director of such Person is also a director of the Parent; *provided*, *however*, that such director abstains from voting as a director of the Parent, as the case may be, on any matter involving such other Person; and

(ii) the issuance of Equity Interests in the form of common stock or Qualified Preferred Stock to any director, officer, employee or consultant thereof.

Section 9.07. *Limitations on Payments of Permitted Junior Debt and Modifications of Permitted Junior Debt, Certificate of Incorporation, By-Laws and Certain Other Agreements, etc*. The Parent will not, and will not permit any of its Restricted Subsidiaries to:

(d) make (or give any notice (other than any such notice that is expressly contingent upon the repayment in full in cash of all Obligations other than any indemnification obligations arising hereunder which are not due and payable) in respect of) any voluntary or optional payment or prepayment on or redemption or acquisition for value of, or any prepayment or redemption as a result of any asset sale, Change of Control or similar event of (including, in each case without limitation, by way of depositing with the trustee with respect thereto or any other Person money or securities before due for the purpose of paying when due), any Permitted Junior Debt, except that so long as no Default under Section 10.01(a) or Section 10.01(e) and no Event of Default then exists or would exist immediately after giving effect to the respective repayment, redemption or repurchase, Permitted Junior Debt may be repaid, redeemed, repurchased or defeased (so long as then retired or the required deposit under the applicable indenture is then made) or the applicable indenture is discharged (so long as the Permitted Junior Debt will be paid in full within the time period set forth in the applicable indenture), either (xv) in any amount, so long as the Payment Conditions are

satisfied or otherwise (xvi) in an aggregate amount since the Closing Date not to exceed $10,000,000 less amounts used pursuant to Section 9.03(h);

(e) amend or modify, or permit the amendment or modification of any provision of, any Refinancing Notes or Permitted Junior Debt Document (after the entering into thereof) with a principal amount in excess of the Threshold Amount, other than any amendment or modification to the extent the Parent and its Restricted Subsidiaries would be permitted to enter into new Refinancing Notes or Permitted Junior Debt Documents on terms reflecting such amendment; or

(f) amend, modify or change its certificate or articles of incorporation (including, without limitation, by the filing or modification of any certificate or articles of designation), certificate of formation, limited liability company agreement or by-laws (or the equivalent organizational documents), as applicable, or any agreement entered into by it with respect to its Equity Interests, or enter into any new agreement with respect to its Equity Interests, unless such amendment, modification, change or other action contemplated by this clause (c) could not reasonably be expected to be adverse in any material respect to the interests of the Lenders.

Section 9.08. *Limitation on Certain Restrictions on Subsidiaries* . The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to (m) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Parent or any of its Restricted Subsidiaries, or pay any Indebtedness owed to the Parent or any of its Restricted Subsidiaries, (n) make loans or advances to the Parent or any of its Restricted Subsidiaries or (o) transfer any of its properties or assets to the Parent or any of its Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of:

(i) applicable law;

(ii) this Agreement and the other Credit Documents and the Term Loan Credit Agreement and, if and when entered into, **[Redacted – Intercompany Documentation]** ;

(iii) customary provisions restricting subletting or assignment of any lease governing any leasehold interest of the Parent or any of its Restricted Subsidiaries;

(iv) customary provisions restricting assignment of any licensing agreement (in which the Parent or any of its Restricted Subsidiaries is the licensee) or other contract entered into by the Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(v) restrictions on the transfer of any asset pending the close of the sale of such asset;

(vi) any agreement or instrument governing Indebtedness assumed in connection with a Permitted Acquisition, to the extent the relevant encumbrance or restriction was not agreed to or adopted in connection with, or in anticipation of, the respective Permitted Acquisition and does not apply to the Parent or any Restricted Subsidiary of the Parent, or the properties of any such Person, other than the Persons or the properties acquired in such Permitted Acquisition;

(vii) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(viii) any agreement or instrument relating to Indebtedness of a Foreign Subsidiary incurred pursuant to Section 9.04 to the extent such encumbrance or restriction only applies to such Foreign Subsidiary;

(ix) an agreement effecting a refinancing, replacement or substitution of Indebtedness issued, assumed or incurred pursuant to an agreement or instrument referred to in clause (vi) above; *provided* that the provisions relating to such

encumbrance or restriction contained in any such refinancing, replacement or substitution agreement are no less favorable to the Parent or the Lenders in any material respect than the provisions relating to such encumbrance or restriction contained in the agreements or instruments referred to in such clause (vii);

(x) restrictions on the transfer of any asset subject to a Lien permitted by Section 9.01 (in the case of Liens securing Indebtedness for borrowed money, subject to clause (xiv) below);

(xi) restrictions and conditions imposed by the terms of the documentation governing any Indebtedness of a Restricted Subsidiary of the Parent that is not a Credit Party, which Indebtedness is permitted by Section 9.04;

(xii) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 9.05 and applicable solely to such joint venture;

(xiii) on or after the execution and delivery thereof, the Refinancing Notes and Permitted Junior Debt Documents; and

(xiv) negative pledges and restrictions on Liens in favor of any holder of Indebtedness for borrowed money permitted under Section 9.04 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and/or the Collateral Agent and the Secured Parties with respect to the credit facilities established hereunder and the Obligations under the Credit Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens securing the Obligations under the Credit Documents equally and ratably or on a junior basis.

Section 9.09. *Business.* The Parent will not permit at any time the business activities taken as a whole conducted by the Parent and its Restricted Subsidiaries to be materially different from the business activities taken as a whole conducted by the Parent and its Restricted Subsidiaries on the Closing Date (after giving effect to the Transaction) and Similar Business.

Section 9.10. *Negative Pledges*. The Parent shall not, and shall not permit any of its Restricted Subsidiaries to, agree or covenant with any Person to restrict in any way its ability to grant any Lien on its assets in favor of the Lenders, other than pursuant to the ABL/Term Intercreditor Agreement, any Additional Intercreditor Agreement or any other intercreditor agreement contemplated by this Agreement, and except that this Section 9.10 shall not apply to

(c) any covenants contained in this Agreement or any other Credit Documents or that exist on the Closing Date;

(d) covenants existing under the Term Loan Credit Agreement as in effect on the

Closing Date and the other credit documents pursuant thereto;

(e) the covenants contained in any Refinancing Note Documents or any Permitted Junior Debt (in each case so long as same do not restrict the granting of Liens to secure Indebtedness pursuant to this Agreement (with the priority contemplated by the ABL/Term Intercreditor Agreement));

(f) covenants and agreements made in connection with any agreement relating to secured Indebtedness permitted by this Agreement but only if such covenant or agreement applies solely to the specific asset or assets to which such Lien relates;

(g) customary provisions in leases, subleases, licenses or sublicenses and other contracts restricting the right of assignment thereof;

(h) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures that are applicable solely to such joint venture;

(i) restrictions imposed by law;

(j) customary restrictions and conditions contained in agreements relating to any sale of assets or Equity Interests pending such sale, provided such restrictions and conditions apply only to the Person or property that is to be sold;

(k) contractual obligations binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary, so long as such contractual obligations were not entered into solely in contemplation of such Person becoming a Restricted Subsidiary;

(l) negative pledges and restrictions on Liens in favor of any holder of Indebtedness for borrowed money entered into after the Closing Date and otherwise permitted under Section 9.04 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and/or the Collateral Agent and the Secured Parties with respect to the credit facilities established hereunder and the Obligations under the Credit Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens securing the Obligations under the Credit Documents equally and ratably or on a junior basis except pursuant to the ABL/Term Intercreditor Agreement or an Additional Intercreditor Agreement;

(m) restrictions on any Foreign Subsidiary pursuant to the terms of any Indebtedness of such Foreign Subsidiary permitted to be incurred hereunder;

(n) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business; and

(o) any restrictions on Liens imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a), (b), (c), (i), (j) and (k)

above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Parent, no more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 9.11. *Financial Covenant.* (h) The Parent and its Restricted Subsidiaries shall, on any date when Excess Availability is less than the greater of (xii) 10% of the Line Cap, and (xiii) $15,000,000 (the "**FCCR Test Amount**"), have a Consolidated Fixed Charge Coverage Ratio of at least 1.0 to 1.0, tested for the four fiscal quarter period ending on the last day of the most recently ended fiscal quarter for which the Parent was required to deliver Section 8.01 Financials, and at the end of each succeeding fiscal quarter thereafter until the date on which Availability has exceeded the FCCR Test Amount for 30 consecutive days.

(i) For purposes of determining compliance with the financial covenant set forth in Section 9.11(a) above, cash equity contributions (which equity shall be common equity or Qualified Preferred Stock) made to the Parent after the beginning of the relevant fiscal quarter and on or prior to the day that is ten (10) Business Days after the Parent and its Restricted Subsidiaries become subject to testing the financial covenant under clause (a) of this Section 9.11 for such fiscal quarter and subsequently on or prior to the day that is ten (10) Business Days after the end of the subsequent financial quarter (such period being referred to herein as the "**Interim Period**") will, at the request of the Parent, be included in the calculation of Consolidated EBITDA solely for the purposes of determining compliance with such financial covenant at the end of such fiscal quarter and applicable subsequent periods which include such fiscal quarter (any such equity contribution so included in the calculation of Consolidated EBITDA, a "**Specified Equity Contribution**"); *provided* that (xiv) Specified Equity Contributions may be made no more than two times in any twelve fiscal month period and no more than five times during the term of this Agreement, (xv) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Borrowers to be in *pro forma* compliance with such financial covenant, (xvi) the Borrowers shall not be permitted to borrow hereunder during the Interim Period until the relevant Specified Equity Contribution has been made, (xvii) all Specified Equity Contributions shall be disregarded for purposes of determining any baskets calculated on the basis of Consolidated EBITDA contained herein and in the other Credit Documents and (xviii) there shall be no *pro forma* or other reduction in Indebtedness with the proceeds of any Specified Equity Contribution for determining compliance with the financial covenant for the fiscal quarter in which such Specified Equity Contribution is made or any applicable subsequent periods which include such fiscal quarter.

ARTICLE 10
EVENTS OF DEFAULT

Section 10.01. *Events of Default*. Any of the following shall constitute an Event of Default:

(a) *Payments*. Any Borrower shall (i) default in the payment when due of any principal of any Loan or any Note or (ii) default, and such default shall continue unremedied for five (5) or more Business Days, in the payment when due of any interest on any Loan or Note, or any Fees or any other amounts owing hereunder or under any other Credit Document; or

(b) *Representations, etc*. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or in any certificate delivered to the Administrative Agent or any Lender pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; *provided*, that in the case of any representation or warranty made or deemed made on the Closing Date which is not an Acquisition Agreement Representation or a Specified Representation, such inaccuracy shall not be an Event of Default under this clause (b) unless such representation and warranty remains untrue on or after the date that is 90 days following the Closing Date; or

(c) *Covenants*. The Parent or any of its Restricted Subsidiaries shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Section 8.01(e)(i), 8.02(b), 8.04 (as to the Parent), 8.08, 8.09, 8.11, 8.14(a), 8.17(a)(i), 8.17(c) (other than any such default which is not directly caused by the action or inaction of the Parent or any of its Restricted Subsidiaries, which such default shall be subject to clause (iii) below), or Article 9, (ii) fail to deliver a Borrowing Base Certificate required to be delivered pursuant to Section 8.17(a)(ii) within three (3) days of the date such Borrowing Base Certificate is required to be delivered (or immediately, during the occurrence of a Liquidity Period), (iii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement or in any other Credit Document (other than those set forth in Sections 10.01(a) and 10.01(b)), and such default shall continue unremedied for a period of 30 days after written notice thereof to the defaulting party by the Administrative Agent or the Required Lenders; or

(d) *Default Under Other Agreements* . (a) The Parent or any of its Restricted Subsidiaries shall (x) default in any payment of any Indebtedness (other than **[Redacted – Intercompany Obligations]** and other than the Obligations) beyond the period of grace, if any, provided in an instrument or agreement under which such Indebtedness was created or (y) default in the observance or performance of any agreement or condition relating to any Indebtedness (other than **[Redacted – Intercompany Obligations]** and other than the Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Indebtedness to become due prior to its stated maturity, or (b) any Indebtedness (other than **[Redacted – Intercompany Obligations]** and other than the Obligations) of the Parent or any of its Restricted Subsidiaries shall be declared to be (or shall become) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, *provided* that (i) it shall not be a Default or an Event of Default under this Section 10.01(d) unless the aggregate principal amount of all Indebtedness as described in preceding clauses (a) and (b) is at least equal to the Threshold Amount and (ii) the preceding clause (b) shall not apply to Indebtedness that becomes due as a result of a voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is otherwise permitted hereunder; or

(e) *Bankruptcy, etc*. The Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence a voluntary case or proceeding concerning itself under Title 11 of the United States Code entitled "**Bankruptcy,**" as now or hereafter in effect, or any successor thereto (the "**Bankruptcy Code**") or under the provisions of the Bankruptcy and Insolvency Act (Canada) or the Companies' Creditors Arrangement Act (Canada) or any other bankruptcy, insolvency or other similar law or makes an assignment in bankruptcy, makes a proposal to its creditors or files notice of its intention to do so, institutes any other proceeding under applicable law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, receivership

compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or an involuntary case or proceeding is commenced against the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), and the petition is not controverted within 21 days, or is not dismissed within 30 days, after commencement of the case; or the Parent or any of its Restricted Subsidiaries applies for the appointment of, or the taking of possession by a custodian (as defined in the Bankruptcy Code), receiver, receiver-manager, interim receiver, trustee, monitor, liquidator or other similar official, or such official is appointed for, or takes charge of, all or substantially all of the property of the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) commences any other proceeding under any reorganization, bankruptcy, insolvency, arrangement, winding-up, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), or there is commenced against the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any such proceeding which remains undismissed for a period of 30 days, or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) suffers any appointment of any custodian, receiver, receiver-manager, interim receiver, trustee, monitor or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 30 days; or the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) makes a general assignment for the benefit of creditors; or any corporate, limited liability company or similar action is taken by the Parent or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) for the purpose of effecting any of the foregoing; or

(f) *ERISA*. (a) An ERISA Event has occurred with respect to a Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in a Material Adverse Effect; (b) there is or arises Unfunded Pension Liability which has resulted or would reasonably be expected to result in a Material Adverse Effect, (c) there is or arises any potential withdrawal liability under Section 4201 of ERISA, if the Lead Borrowers, any Restricted Subsidiary of the Parent or the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans which has resulted or would reasonably be expected to result in a Material Adverse Effect, (d) a Foreign Pension Plan or Canadian Pension Plan has failed to comply with, or be funded in accordance with, applicable law which has resulted or would reasonably be expected to result in a Material Adverse Effect, or (e) there arises with respect to the Parent, any Borrower or any Restricted Subsidiaries, any Canadian Unfunded Pension Liability in an amount exceeding the Threshold Amount or in such other amount as would reasonably be expected to result in a Material Adverse Effect; or

(g) *Security Documents*. Any of the Security Documents shall cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including,

without limitation (to the extent provided therein), a perfected security interest or hypothec in, and Lien on, all of the Collateral (other than Collateral with an aggregate fair market value not in excess of $10,000,000), in favor of the Collateral Agent, superior to and prior to the rights of all third Persons (except as permitted by Section 9.01), and subject to no other Liens (except as permitted by Section 9.01)); or

(h) *Guaranties*. Any Guaranty or any provision thereof shall cease to be in full force or effect as to any Guarantor, or any Guarantor or any Person acting for or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under the Guaranty to which it is a party or any Guarantor shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to the Guaranty to which it is a party; or

(i) *Judgments*. One or more judgments or decrees shall be entered against the Parent or any Restricted Subsidiary (other than any Immaterial Subsidiary) of the Parent involving in the aggregate for the Parent and its Restricted Subsidiaries a liability or liabilities (not paid or fully covered by a reputable and solvent insurance company with respect to judgments for the payment of money) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and (i) the aggregate amount of all such judgments and decrees (to the extent not paid or fully covered by such insurance company) equals or exceeds the Threshold Amount or (ii) such judgments, individually and in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect; or

(j) *Change of Control*. A Change of Control shall occur; or

(k) *Actual or Asserted Impairment*. At any time after the execution thereof, (i) any Credit Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof) or shall be declared null and void or (ii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability or shall contest in writing the validity or perfection of any Lien in any material portion of the Collateral purported to be covered by the Security Documents.

Section 10.02. *Remedies Upon Event of Default*. If any Event of Default shall have occurred and be continuing, the Administrative Agent may, with the consent of the Required Lenders, and shall, upon the written request of the Required Lenders, in each case by written notice to the Parent, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Lender or the holder of any Note to enforce its claims against any Credit Party (*provided* that , if an Event of Default specified in Section 10.01(e) shall occur with respect to any Credit Party, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (a) and (b) below shall occur automatically without the giving of any such notice): (a) declare the Aggregate Commitments terminated, whereupon all Commitments of each Lender shall forthwith terminate immediately; (b) declare the principal of and any accrued interest in respect of all Loans and the Notes and all Obligations owing hereunder and thereunder to be, whereupon

the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; (c) enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; (d) enforce the Guaranty, (e) terminate, reduce or condition any Revolving Commitment, or make any adjustment to the Borrowing Base and (f) require the Credit Parties to Cash Collateralize LC Obligations, and, if the Credit Parties fail promptly to deposit such Cash Collateral, the Administrative Agent may (and shall upon the direction of Required Lenders) advance the required Cash Collateral as Revolving Loans (whether or not an Overadvance exists or is created thereby, or the conditions in Section 6.01 are satisfied).

Section 10.03. *Application of Funds*. After the exercise of remedies provided for above (or after the Loans have automatically become immediately due and payable and the LC Exposure has automatically been required to be Cash Collateralized as set forth above), any amounts received on account of the Obligations (including without limitation, proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral (including, without limitation, pursuant to the exercise by the Administrative Agent of its remedies during the continuance of an Event of Default) or otherwise received on account of the Obligations) shall, subject to the provisions of Sections 2.11 and 2.13(j), be applied in the following order:

First, to the payment of all reasonable costs and out-of-pocket expenses, fees, commissions and taxes of such sale, collection or other realization including, without limitation, compensation to the Administrative Agent and its agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent in connection therewith;

Second, to the payment of all other reasonable costs and out-of-pocket expenses of such sale, collection or other realization including, without limitation, costs and expenses and all costs, liabilities and advances made or incurred by the other Secured Creditors in connection therewith (other than in respect of Secured Bank Product Obligations);

Third, to interest then due and payable on the Swingline Loans;

Fourth, to the principal balance of the Swingline Loans outstanding until the same has been prepaid in full;

Fifth, to interest then due and payable on Revolving Loans and other amounts due pursuant to Sections 3.01, 3.02 and 4.01;

Sixth, to Cash Collateralize all LC Exposures (to the extent not otherwise Cash Collateralized pursuant to the terms hereof) *plus* any accrued and unpaid interest thereon;

Seventh, to the principal balance of Revolving Borrowings then outstanding and all Obligations on account of Noticed Hedges with Secured Creditors, pro rata;

Eighth, to all other Obligations *pro rata*; and

Ninth, the balance, if any, as required by the ABL/Term Intercreditor Agreement or any Additional Intercreditor Agreement or, in the absence of any such requirement, to the Person lawfully entitled thereto (including the applicable Credit Party or its successors or assigns).

Amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause *Sixth* above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Amounts distributed with respect to any Secured Bank Product Obligations shall be the lesser of the maximum Secured Bank Product Obligations last reported to the Administrative Agent or the actual Secured Bank Product Obligations as calculated by the methodology reported to the Administrative Agent for determining the amount due. The Administrative Agent shall have no obligation to calculate the amount to be distributed with respect to any Secured Bank Product Obligations, and may request a reasonably detailed calculation of such amount from the applicable Secured Creditor. If a Secured Creditor fails to deliver such calculation within five (5) days following request by the Administrative Agent, the Administrative Agent may assume the amount to be distributed is zero.

In the event that any such proceeds are insufficient to pay in full the items described in clauses *First* through *Eighth* of this Section 10.03, the Credit Parties shall remain liable for any deficiency. Notwithstanding the foregoing provisions, this Section 10.03 is subject to the provisions of the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement.

ARTICLE 11
THE ADMINISTRATIVE AGENT

Section 11.01. *Appointment and Authority.* (t) Each of the Lenders and the Issuing Banks hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and neither the Borrowers nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(u) The Administrative Agent shall also act as the "Collateral Agent" under the Credit Documents, and each of the Lenders, the Issuing Banks hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the Issuing Banks for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 11.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article 11 (including Section 11.05, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Credit Documents) as if set forth in full herein with respect thereto.

Section 11.02. *Rights as a Lender*. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Parent or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 11.03. *Exculpatory Provisions*. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(ll) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(mm) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(nn) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(oo) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.02 and Section 12.10) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or the Issuing Banks.

(pp) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (v) the satisfaction of any condition set forth in Article 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 11.04. *Reliance by Administrative Agent*. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or any Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Parent or the Lead Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice

of any such counsel, accountants or experts.

Section 11.05. *Delegation of Duties*. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 11.06. *Resignation of Administrative Agent*. (p) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Banks and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(q) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(r) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Banks under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed

to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each Issuing Bank directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Article shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

(s) Any resignation or removal by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as Issuing Bank and Swingline Lender. If Bank of America resigns as an Issuing Bank, it shall retain all the rights, powers, privileges and duties of an Issuing Bank hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuing Bank and all Obligations with respect thereto, including the right to require the Lenders to make U.S. Base Rate Loans or Canadian Prime Rate Loans or fund risk participations in unreimbursed LC Disbursements pursuant to Section 2.13(e). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make U.S. Base Rate Loans or Canadian Prime Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.12(d). Until the appointment of a successor Swingline Lender, Swingline Loans will not be available. Upon the appointment by the Borrower of a successor Issuing Bank or Swingline Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank or Swingline Lender, as applicable, (b) the retiring Issuing Bank and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Credit Documents, and (c) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

Section 11.07. *Non-Reliance on Administrative Agent and Other Lenders* . Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 11.08. *No Other Duties, Etc.* Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or other titles as necessary listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an Issuing Bank hereunder.

Section 11.09. *Administrative Agent May File Proofs of Claim; Credit Bidding.* In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan or Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(j) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Letters of Credit and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, any Issuing Bank and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Banks and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Banks and the Administrative Agent under Section 2.05, Section 12.01 or Section 12.16 allowed in such judicial proceeding; and

(k) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Banks to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.05, Section 12.01 and Section 12.16.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank to authorize the Administrative Agent to vote in respect of the claim of such Lender or such Issuing Bank or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or under the provisions of the Bankruptcy and Insolvency Act (Canada) or the Companies' Creditors Arrangement Act (Canada) or any similar Laws in any other jurisdictions to which a Credit Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (i) through (vi) of Section 12.10(a), (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party

or any acquisition vehicle to take any further action.

Section 11.10. *Collateral and Guaranty Matters*. Without limiting the provision of Section 11.09, each of the Lenders and Issuing Banks irrevocably authorizes the Administrative Agent, at its option and in its discretion,

(g) release any Lien on any property granted to or held by the Administrative Agent under any Credit Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than (A) contingent indemnification obligations and (B) obligations and liabilities in respect of Secured Bank Product Obligations as to which arrangements satisfactory to the applicable Secured Bank Product Provider shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the applicable Issuing Bank shall have been made), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Credit Document to a Person that is not a Credit Party, (iii) that constitutes "Excluded Collateral" (as such term is defined in the Security Agreement), or (iv) if approved, authorized or ratified in writing in accordance with Section 12.10;

(h) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Credit Documents; and

(i) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such property that is permitted by Section 9.01(f).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under any Guaranty pursuant to this Section 11.10. In each case as specified in this Section 11.10, the Administrative Agent will, at each Borrower's expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Credit Documents and this Section 11.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Without limiting the powers of the Collateral Agent under this Agreement and the Security Documents, each Lender and the Collateral Agent acknowledges and agrees that the Collateral Agent shall, for the purposes of holding any security granted under the Security Documents governed by the laws of the Province of Québec to secure payment of bonds or any other title of indebtedness (collectively, in this subsection, the "**Bonds**"), be the holder of an irrevocable power of attorney (fondé de pouvoir), within the meaning of Article 2692 of the Civil Code of Québec, for all present and future holders and depositaries of the Bonds. Each of the Lenders and the Collateral Agent constitutes, to the extent necessary, the Collateral Agent as the holder of such irrevocable power of attorney (fondé de pouvoir) in order to hold security granted under the Security Documents governed by the laws of the Province of Québec to secure payment of the Bonds. Each Person who becomes a Lender and any successor to the Collateral Agent shall be deemed to have confirmed and ratified the constitution of the Collateral Agent as the holder of such irrevocable power of attorney (fondé de pouvoir). Furthermore, the Lenders hereby authorize the Collateral Agent to act in the capacity of the holder and depositary of any Bond for the benefit of all present and future Lenders. Notwithstanding the provisions of Section 32 of an Act respecting the Special Powers of Legal Persons (Québec), the Collateral Agent may acquire and be the holder of a Bond. Each Credit Party acknowledges that each of the Bonds executed by it shall constitute a title of indebtedness, as such term is used in Article 2692 of the Civil Code of Québec. Notwithstanding the provisions of Section 12.07, the provisions of this subsection shall be governed by the laws of the Province of Québec and the federal laws of Canada applicable therein.

Section 11.11. *Secured Bank Product Obligations* . Except as otherwise expressly set forth herein or in any other Credit Document, no Secured Bank Product Provider that obtains the benefits of Section 10.03, the Guaranty or any Collateral by virtue of the provisions hereof or of the Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Article 11 to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Bank Product Obligations unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Secured Bank Product Provider.

Section 11.12. *Special Provisions Applicable to Joint Lead Arrangers and Syndication Agents* . Notwithstanding anything to the contrary contained above in this Article 11, the Lenders and Credit Parties hereby recognize and agree that the Joint Lead Arrangers and the Syndication Agents are titles given for recognition purposes only, and no Joint Lead Arranger or Syndication Agents shall have any obligation, duty or responsibility under this Agreement or the other Credit Documents. Furthermore, each Joint Lead Arranger or Syndication Agents may at any time resign hereunder by providing written notice of such

resignation to the Administrative Agent and the Borrower.

Section 11.13. *Withholding Taxes*. To the extent required by any applicable law (as determined in the good-faith discretion of the withholding agent), the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service, the Canada Revenue Agency or any other authority of the United States, Canada or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective), such Lender shall, within ten (10) days after written demand therefor, indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower pursuant to Section 4.01, and without limiting or expanding the obligation of the Borrower to do so) for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due the Administrative Agent under this Section 11.13. The agreements in this Section 11.13 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE 12
MISCELLANEOUS

Section 12.01. *Payment of Expenses, etc.* **(ff)** The Credit Parties hereby jointly and severally agree to: **(i)** if the Closing Date occurs, pay all reasonable invoiced out-of-pocket costs and expenses of the Agents and Issuing Banks (including, without limitation, the reasonable fees and disbursements of Davis Polk & Wardwell LLP and Borden Ladner Gervais LLP and, if reasonably necessary, one local counsel in any other relevant jurisdiction) in connection with the preparation, execution and delivery of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein, the administration hereof and thereof and any amendment, waiver or consent relating hereto or thereto (whether or not effective), of the Agents in connection with their syndication efforts with respect to this Agreement and of the Agents and each Lender in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings (and, in each case, in the case of an actual or perceived conflict of interest, where the party affected by such

conflict informs the Parent of such conflict and thereafter retains its own counsel, of another firm of counsel for each such affected party similarly situated); **(ii)** pay and hold each Agent, each Lender and each Issuing Bank harmless from and against any and all Other Taxes with respect to the foregoing matters and save each Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Agent, Lender or Joint Lead Arranger) to pay such Other Taxes; and **(iii)** indemnify each Agent, each Lender, each Issuing Bank and their respective Affiliates, successors and assigns, and the partners, officers, directors, employees, trustees, agents, advisors, controlling persons, investment advisors and other representatives of each of the foregoing (each, an "**Indemnified Person**") from and against and hold each of them harmless against (and will reimburse each Indemnified Person as the same are incurred for) any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements and documented out-of-pocket expenses) incurred by, imposed on, assessed or asserted against any of them as a result of, or arising out of, or in any way related to, or by reason of, **(A)** any investigation, litigation or other proceeding (whether or not any Agent or any Lender is a party thereto and whether or not such investigation, litigation or other proceeding is brought by or on behalf of any Credit Party) related to the entering into and/or performance of this Agreement or any other Credit Document or the proceeds of any Loans hereunder or the consummation of the Transaction or any other transactions contemplated herein or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or **(B)** the actual or alleged presence of Hazardous Materials in the Environment relating in any way to any Real Property owned, leased or operated, at any time, by the Parent or any of its Subsidiaries or any of their respective predecessors; the generation, storage, transportation, handling, treatment, use, Release or threat of Release of Hazardous Materials by or on behalf of the Parent or any of its Subsidiaries or any of their respective predecessors at any location, whether or not owned, leased or operated by the Parent or any of its Subsidiaries or any of their respective predecessors; the non-compliance by the Parent or any of its Subsidiaries or any of their respective predecessors with any Environmental Law (including applicable permits thereunder); or any Environmental Claim or liability under any applicable Environmental Laws related to the Parent or any of its Subsidiaries or any of their respective predecessors or relating in any way to any Real Property at any time owned, leased or operated by the Parent or any of its Subsidiaries or any of their respective predecessors (but excluding in each case any losses, liabilities, claims, damages or expenses **(1)** to the extent incurred by reason of the gross negligence, bad faith or willful misconduct of the applicable Indemnified Person or any of its Related Indemnified Persons, **(2)** to the extent incurred by reason of any material breach of the obligations of such Indemnified Person under this Agreement or the other Credit Documents (in the case of each of preceding clauses (1) and (2), as determined by a court of competent jurisdiction in a final and non-appealable decision) or **(3)** that do not involve or arise from an act or omission by the Parent or Guarantors or any of their respective affiliates and is brought by an Indemnified Person against an Indemnified Person (other than claims against any Agent or any Joint Lead Arranger in its capacity as such or in its fulfilling such role). To the extent that the undertaking to indemnify, pay or hold harmless any Agent

or any Lender or other Indemnified Person set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Credit Parties shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law. Notwithstanding the foregoing, this Section 12.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, liabilities, claims and damages arising from a non-Tax claim.

(gg) To the fullest extent permitted by applicable law, each of the Credit Parties shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnified Person referred to above shall be liable for any damages arising from the use by others of any information or other materials distributed to such party by such Indemnified Person through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnified Person as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(hh) To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), the Issuing Bank, the Swingline Lender or to any Affiliate thereof, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank, the Swingline Lender or to such Affiliate, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the aggregate Revolving Loan Commitments at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Issuing Bank, the Swingline Lender or against any Affiliate thereof acting for the Administrative Agent (or any such sub-agent), the Issuing Bank or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are several and not joint.

Section 12.02. *Right of Setoff.* (qq) In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) (other than accounts used exclusively for payroll, payroll

taxes, fiduciary and trust purposes, and employee benefits) and any other Indebtedness at any time held or owing by the Administrative Agent or such Lender (including, without limitation, by branches and agencies of the Administrative Agent or such Lender wherever located) to or for the credit or the account of the Parent or any of its Subsidiaries against and on account of the Obligations and liabilities of the Credit Parties to the Administrative Agent or such Lender under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations purchased by such Lender pursuant to Section 12.04(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

(rr) NOTWITHSTANDING THE FOREGOING SUBSECTION (a), AT ANY TIME THAT THE LOANS OR ANY OTHER OBLIGATION SHALL BE SECURED BY REAL PROPERTY LOCATED IN CALIFORNIA, NO LENDER SHALL EXERCISE A RIGHT OF SETOFF, LIEN OR COUNTERCLAIM OR TAKE ANY COURT OR ADMINISTRATIVE ACTION OR INSTITUTE ANY PROCEEDING TO ENFORCE ANY PROVISION OF THIS AGREEMENT OR ANY NOTE UNLESS IT IS TAKEN WITH THE CONSENT OF THE REQUIRED LENDERS OR APPROVED IN WRITING BY THE ADMINISTRATIVE AGENT, IF SUCH SETOFF OR ACTION OR PROCEEDING WOULD OR MIGHT (PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 580a, 580b, 580d AND 726 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE OR SECTION 2924 OF THE CALIFORNIA CIVIL CODE, IF APPLICABLE, OR OTHERWISE) AFFECT OR IMPAIR THE VALIDITY, PRIORITY OR ENFORCEABILITY OF THE LIENS GRANTED TO THE COLLATERAL AGENT PURSUANT TO THE SECURITY DOCUMENTS OR THE ENFORCEABILITY OF THE NOTES AND OTHER OBLIGATIONS HEREUNDER, AND ANY ATTEMPTED EXERCISE BY ANY LENDER OF ANY SUCH RIGHT WITHOUT OBTAINING SUCH CONSENT OF THE REQUIRED LENDERS OR THE ADMINISTRATIVE AGENT SHALL BE NULL AND VOID. THIS SUBSECTION (b) SHALL BE SOLELY FOR THE BENEFIT OF EACH OF THE LENDERS AND THE ADMINISTRATIVE AGENT HEREUNDER.

Section 12.03. *Notices; Effectiveness; Electronic Communications.*

(jj) Notices Generally. Except as provided in subsection (b) below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows:

(iii) if to the Parent, the Lead Borrowers or the Administrative Agent, to the address, facsimile number or electronic mail address specified for such Person on Schedule 1.01(d); and

(iv) if to any other Lender, to the address, facsimile number or electronic

mail address specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Parent or its Subsidiaries).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(kk) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Parent or the Lead Borrowers may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(ll) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM

VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the " **Agent Parties**") have any liability to Parent, the Lead Borrowers, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Parent, Lead Borrowers', any Credit Party's or the Administrative Agent's transmission of Borrower Materials through the Internet, except for losses, claims, damages, liabilities or expenses to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(mm) Change of Address, Etc. Each of the Parent, the Lead Borrowers and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws and Canadian Federal and provincial securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of such Laws.

(nn) Reliance by Administrative Agent and Lenders . The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including electronic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 12.04. *Successors and Assigns.*

(g) Successors and Assigns Generally. The provisions of this Agreement shall be

binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 12.04(b)(b), (ii) by way of participation in accordance with the provisions of Section 12.04(d), or (iii) by way of pledge or assignment of a security interest or hypothec subject to the restrictions of Section 12.04(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement. No Lender may assign or transfer any of its rights or obligations hereunder to an Ineligible Transferee. Notwithstanding any other provision of this Agreement, the Administrative Agent shall have no responsibility for monitoring any assignments or participations to Ineligible Transferees. The list of all Ineligible Transferees shall be made available to all Lenders.

(h) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(ix) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption Agreement, as of the Trade Date, shall not be less than $5,000,000 unless each of the Administrative Agent and, so long as no Event of Default under Section 10.01(a) or (e) has occurred and is continuing, the Lead Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed).

(x) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(xi) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Lead Borrowers (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default under Section 10.01(a) or Section 10.01(e) has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Lead Borrowers shall be deemed to have consented to any such assignment unless they shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent and the Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(xii) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(xiii) No Assignment to Certain Persons. Except as expressly provided herein, no such assignment shall be made (A) to the Borrowers or any of the Borrowers' Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), (C) to an Ineligible Transferee or (D) to a natural Person.

(xiv) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent,

the applicable pro rata share of Term Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Term Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(xv) Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 4.01, Section 3.01, Section 3.03, Section 12.01(a)(iii) and Section 12.16 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 12.04.

(i) Register. The Administrative Agent, acting solely for this purpose as an agent of the Parent and the Lead Borrowers (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office in the United States of America a copy of each Assignment and Assumption Agreement delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and each Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Lead Borrowers and any

Lender, at any reasonable time and from time to time upon reasonable prior notice.

(j) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than an Ineligible Transferee, a natural Person, a Defaulting Lender, the Parent or any of the Parent's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) all Borrowers, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.13 without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i), (ii) and (iii) of the first proviso to Section 12.10(a) or clause (1) of the second proviso to Section 12.10 , in each case, that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Section 4.01, Section 3.01, and Section 3.03 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Sections 4.01(b) and 4.01(c) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 3.04 and Section 12.19 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 3.01 or Section 4.01, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at each Borrower's request and expense, to use reasonable efforts to cooperate with each Borrower to effectuate the provisions of Section 2.19 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.02 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.10(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of each Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to

a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or in connection with an enquiry by the Canada Revenue Agency in accordance with the provisions of the ITA. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(k) Certain Pledges. Any Lender may at any time pledge or assign a security interest or hypothec in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(l) Resignation as Issuing Bank or Swingline Lender after Assignment . Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to Section 12.04(b), Bank of America may, (i) upon 30 days' notice to the Lead Borrowers and the Lenders, resign as Issuing Bank and/or (ii) upon 30 days' notice to the Lead Borrowers, resign as Swingline Lender. In the event of any such resignation as Issuing Bank or Swingline Lender, the Lead Borrowers shall be entitled to appoint from among the Lenders a successor Issuing Bank or Swingline Lender hereunder; *provided*, *however*, that no failure by the Lead Borrowers to appoint any such successor shall affect the resignation of Bank of America as Issuing Bank or Swingline Lender, as the case may be. If Bank of America resigns as Issuing Bank, it shall retain all the rights, powers, privileges and duties of the Issuing Bank hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuing Bank and all LC Obligations with respect thereto (including the right to require the Lenders to make U.S. Base Rate Loans or fund risk participations in unreimbursed LC Disbursements pursuant to Section 2.13(e)). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make U.S. Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.12(d). Upon the appointment of a successor Issuing bank and/or Swingline Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank or Swingline Lender, as the case may be, and (b) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

Section 12.05. *No Waiver; Remedies Cumulative*. No failure or delay on the part of the Administrative Agent, the Collateral Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Parent or any other Credit Party and the Administrative Agent, the Collateral Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent, the Collateral Agent or any Lender would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent, the Collateral Agent or any Lender to any other or further action in any circumstances without notice or demand.

Notwithstanding anything to the contrary contained herein or in any other Credit Document, the authority to enforce rights and remedies hereunder and under the other Credit Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 11.10 for the benefit of all the Lenders; *provided*, *however*, that the foregoing shall not prohibit (t) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Credit Documents, (u) any Lender from exercising setoff rights in accordance with Section 12.02 (subject to the terms of Section 2.13), or (v) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any Debtor Relief Law; and *provided*, *further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Credit Documents, then (iv) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 11.10 and (v) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 2.13 any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 12.06. *Calculations; Computations.* (d) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with IFRS consistently applied throughout the periods involved (except as set forth in the notes thereto); *provided* that (ix) except as otherwise specifically provided herein, all computations of the Applicable Margin, and all computations and all definitions (including accounting terms) used in determining compliance with Section 8.14, shall utilize IFRS and policies in conformity with those used to prepare the audited financial statements of the Parent referred to in Section 7.05(a)(i) for the fiscal year of the Parent ended May 31, 2013 and, (x) to the extent expressly provided herein, certain calculations shall be made on a Pro Forma Basis; *provided, further,* that if any change in IFRS (including any change that is the result of an election by the Parent that its financial statements be prepared and maintained in accordance

with GAAP or Canadian GAAP) results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Credit Document, then the Parent, the Administrative Agent and the Lenders agree to amend such provisions of this Agreement so as to equitably reflect such changes in IFRS (including any change that is the result of an election by the Parent that its financial statements be prepared and maintained in accordance with GAAP or Canadian GAAP) with the desired result that the criteria for evaluating the Parent's financial condition shall be the same after such change in IFRS as if such change had not been made; *provided, further,* that, notwithstanding any other provision of this Agreement, the Required Lenders' agreement to any amendment of such provisions shall be sufficient to bind all Lenders; *provided, further,* that until such time as the financial covenants and the related provisions of this Agreement have been amended in accordance with the terms of this paragraph, the calculations of financial covenants and the interpretation of any related provisions shall be calculated and interpreted in accordance with IFRS as in effect immediately prior to such change in IFRS (including any change that is the result of an election by the Parent that its financial statements be prepared and maintained in accordance with GAAP or Canadian GAAP); *provided, further,* that all determinations made pursuant to any applicable leverage test or any financial definition used therein shall be determined on the basis of IFRS as applied and in effect immediately before the relevant change in IFRS or the application thereof became effective, until such leverage test or such financial definition is amended. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to Statement of Financial Accounting Standards 141R or ASC 805 (or any other financial accounting standard having a similar result or effect). Notwithstanding any changes in IFRS after the Closing Date, any lease of the Borrower or the Subsidiaries that would be characterized as an operating lease under IFRS in effect on the Closing Date (whether such lease is entered into before or after the Closing Date) shall not constitute Indebtedness or a Capitalized Lease Obligation under this Agreement or any other Credit Document as a result of such changes in IFRS.

(e) The calculation of any financial ratios under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-down if there is no nearest number).

Section 12.07. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY* TRIAL.

(p) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN THE RELEVANT SECURITY DOCUMENT, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT

THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION). ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (EXCEPT THAT, (X) IN THE CASE OF ANY MORTGAGE OR OTHER SECURITY DOCUMENT, PROCEEDINGS MAY ALSO BE BROUGHT BY THE ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN THE JURISDICTION IN WHICH THE RELEVANT MORTGAGED PROPERTY OR COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS SHALL BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, EACH OF THE PARTIES HERETO OR THERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENTS BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(q) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT

DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

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

Section 12.08. *Counterparts*. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Parent and the Administrative Agent.

Section 12.09. *Headings Descriptive*. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 12.10. *Amendment or Waiver; etc.* (k) Neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Credit Parties party hereto or thereto and the Required Lenders (although additional parties may be added to (and annexes may be modified to reflect such additions) the Guaranty and the Security Documents in accordance with the provisions hereof and thereof without the consent of the other Credit Parties party thereto or the Required Lenders), *provided* that no such change, waiver, discharge or termination shall

(iii) without the prior written consent of each Lender (and Issuing Bank, if applicable) directly and adversely affected thereby, extend the final scheduled maturity of any Revolving Commitment, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with the applicability of any post-default increase in interest rates) or reduce or forgive the principal amount thereof;

(iv) except as otherwise expressly provided in the Security Documents, release all or substantially all of the Collateral under all the Security Documents without the prior written consent of each Lender;

(v) except as otherwise provided in the Credit Documents, release all or substantially all of the value of the Guaranty without the prior written consent of each Lender;

(vi) amend, modify or waive any pro rata sharing provision of Section 2.10, the payment waterfall provision of Section 10.03, or any provision of this Section 12.10(a) (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to the Revolving Commitments on the Closing Date), in each case, without the prior written consent of each Lender directly and adversely affected thereby;

(vii) reduce the percentage specified in the definitions of Required Lenders or Supermajority Lenders without the prior written consent of each Lender directly and adversely affected thereby (it being understood that, with the prior written consent of the Required Lenders or Supermajority Lenders, as applicable, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders or Supermajority Lenders, as applicable, on substantially the same basis as the extensions of Revolving Commitments are included on the Closing Date);

(viii) consent to the assignment or transfer by any Borrower of any of its rights and obligations under this Agreement without the consent of each Lender; *provided further* that no such change, waiver, discharge or termination shall (1) increase the Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Aggregate Commitments shall not constitute an increase of the Commitment of any Lender, and that an increase in the available portion of any Commitment of any Lender shall not constitute an increase of the Commitment of such Lender), (2) without the consent of each Agent adversely affected thereby, amend, modify or waive any provision of Article 11 or any other provision as same relates to the rights or obligations of such Agent, (3) without the consent of Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent, (4) without the consent of an Issuing Bank or the Swingline Lender, amend, modify or waive any provision relating to the rights or obligations of the such Issuing Bank or Swingline Lender, (5) without the prior written consent of the Supermajority Lenders, change the definition of the terms "Availability" or "Borrowing Base" or any component definition used therein (including, without limitation, the definitions of "Eligible Accounts" and "Eligible Inventory") if, as a result thereof, the amounts available to be borrowed by the Borrowers would be

increased; *provided* that the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Reserves or to add Accounts and Inventory acquired in a Permitted Acquisition to the Borrowing Base as provided herein or (6) without the prior written consent of the Supermajority Lenders, increase the percentages set forth in the term "Borrowing Base" or add any new classes of eligible assets thereto; and *provided further* that only the consent of the Administrative Agent shall be necessary for amendments described in clause (x) of the proviso contained in clause (vi) of the definition of "Permitted Junior Loans".

(l) If, in connection with any proposed change, waiver, discharge or termination of any of the provisions of this Agreement as contemplated by clauses (i) through (v), inclusive, of the first proviso to Section 12.10(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained (such Lender, a "**Non-Consenting Lender**"), then the Parent shall have the right, so long as all Non-Consenting Lenders whose individual consent is required are treated as described in either clauses (i) or (ii) below, to either (i) replace each such Non-Consenting Lender or Lenders with one or more Replacement Lenders pursuant to Section 12.19 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (ii) terminate such Non-Consenting Lender's Commitments and/or repay the outstanding Revolving Loans of such Lender in accordance with Section 12.19; *provided* that, unless the Commitments that are terminated, and Revolving Loans repaid, pursuant to the preceding clause (ii) are immediately replaced in full at such time through the addition of new Lenders or the increase of outstanding Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (ii) the Required Lenders (determined after giving effect to the proposed action) shall specifically consent thereto, *provided further* that in any event the Parent shall not have the right to replace a Lender, terminate its Commitments or repay its Revolving Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 12.10(a).

(m) Notwithstanding anything to the contrary contained in clause (a) of this Section 12.10, the Borrowers, the Administrative Agent and each Lender providing the relevant Revolving Commitment Increase may (i), in accordance with the provisions of Section 2.15, enter into an Incremental Revolving Commitment Agreement, and (ii) in accordance with the provisions of Section 2.19, enter into an Extension Amendment, *provided* that after the execution and delivery by the Borrowers, the Administrative Agent and each such Lender, the terms set forth in such Extension Amendment may thereafter only be modified in accordance with the requirements of clause (a) above of this Section 12.10.

(n) Notwithstanding anything to the contrary herein, any fee letter may be amended, or rights and privileges thereunder waived, in a writing executed only by the parties thereto.

(o) Anything herein to the contrary notwithstanding, during such period as a

Lender is a Defaulting Lender, to the fullest extent permitted by applicable law, such Lender will not be entitled to vote in respect of amendments, waivers and consents hereunder and the Commitment and the outstanding Loans or other extensions of credit of such Lender hereunder will not be taken into account in determining whether the Required Lenders or all of the Lenders, as required, have approved any such amendment, waiver or consent (and the definitions of "Supermajority" and "Required Lenders" will automatically be deemed modified accordingly for the duration of such period); *provided* that any such amendment or waiver that would increase or extend the term of the Commitment of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Lender.

(p) Further, notwithstanding anything to the contrary contained in this

Section 12.10, if following the Closing Date, the Administrative Agent and any Credit Party shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Documents, then the Administrative Agent and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Credit Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

Section 12.11. *Survival*. All indemnities set forth herein including, without limitation, in Sections 3.01, 3.02, 4.01, Section 11.13, 12.01 and Section 12.16 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Obligations. All representations and warranties made hereunder and in any other Credit Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Event, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 12.12. *Domicile of Loans*. Each Lender may transfer and carry its Revolving Loans at, to or for the account of any office, Subsidiary or Affiliate of such Lender. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of Loans pursuant to this Section 12.12 would, at the time of such transfer, result in increased costs under Section 3.01 or 4.01 from those being charged by the respective Lender prior to such transfer, then the Borrowers shall not be obligated to pay such increased costs (although the Borrowers shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective transfer).

Section 12.13. *Confidentiality.* (i) Subject to the provisions of clause (b) of this Section 12.13, each Agent, Joint Lead Arranger, Syndication Agents and Lender agrees that it will use its commercially reasonable efforts not to disclose without the prior consent of the Parent (other than to its directors, officers, employees, accountants, auditors, advisors, counsel or other representatives or to another Lender if such Lender or such Lender's holding or parent company in its sole discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section 12.13 to the same extent as such Lender (or language substantially similar to this Section 12.13(a)) any information with respect to the Parent or any of its Subsidiaries which is now or in the future furnished pursuant to this Agreement or any other Credit Document, *provided* that any Lender may disclose any such information (iii) as has become generally available to the public other than by virtue of a breach of this Section 12.13(a) by such Lender, (iv) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state, provincial or federal regulatory body having or claiming to have jurisdiction over such Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or the Canada Deposit Insurance Corporation or similar organizations (whether in the United States, Canada or elsewhere) or their successors, (v) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (vi) in order to comply with any law, order, regulation or ruling applicable to such Lender, (vii) to the Administrative Agent or the Collateral Agent, (viii) to any prospective or actual direct or indirect contractual counterparty in any swap, hedge or similar agreement (or to any such contractual counterparty's professional advisor), so long as such contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section 12.13 (or language substantially similar to this Section 12.13(a)), and (ix) to any prospective or actual transferee, pledgee or participant in connection with any contemplated transfer, pledge or participation of any of the Notes or Commitments or any interest therein by such Lender, *provided* that such prospective transferee, pledge or participant agrees to be bound by the confidentiality provisions contained in this Section 12.13 (or language substantially similar to this Section 12.13(a)); *provided further* that, to the extent permitted pursuant to any applicable law, order, regulation or ruling, and other than in connection with credit and other bank examinations conducted in the ordinary course with respect to such Lender, in the case of any disclosure pursuant to the foregoing clauses (ii), (iii) or (iv), such Lender will use its commercially reasonable efforts to notify the Lead Borrowers in advance of such disclosure so as to afford the Lead Borrowers the opportunity to protect the confidentiality of the information proposed to be so disclosed.

(j) The Borrowers hereby acknowledge and agree that each Lender may share with any of its affiliates, and such affiliates may share with such Lender, any information related to the Parent or any of its Subsidiaries (including, without limitation, any non-public customer information regarding the creditworthiness of the Parent and its Subsidiaries), provided such Persons shall be subject to the provisions of this Section 12.13 to the same extent as such Lender.

Section 12.14. *USA Patriot Act and Canadian AML Acts Notice* . Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the

Parent and the Borrowers that pursuant to the requirements of the USA PATRIOT Act Title III of Pub. 107-56 (signed into law October 26, 2001 and amended on March 9, 2009) (the "**Patriot Act**") and the Canadian AML Acts, it is required to obtain, verify, and record information that identifies the Parent, the Borrowers and each Subsidiary Guarantor, which information includes the name of each Credit Party and other information that will allow such Lender to identify the Credit Party in accordance with the Patriot Act and the Canadian AML Acts, and each Credit Party agrees to promptly provide such information from time to time to any Lender.

Section 12.15. *Special Provisions Regarding Pledges of Equity Interests in Persons Not Organized in Qualified Jurisdictions* . The parties hereto acknowledge and agree that the provisions of the various Security Documents executed and delivered by the Credit Parties require that, among other things, all Equity Interests in various Persons owned by the respective Credit Party be pledged, and delivered for pledge, pursuant to the Security Documents. The parties hereto further acknowledge and agree that each Credit Party shall be required to take all actions under the laws of the jurisdiction in which such Credit Party is organized to create and perfect all security interests or hypothecs granted pursuant to the various Security Documents and to take all actions under the laws of the United States or Canada (as applicable) to perfect the security interests in the Equity Interests of any Person organized under the laws of said jurisdictions (to the extent said Equity Interests are owned by any Credit Party).

Section 12.16. *Currency Indemnity.* If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Agents or any Lender under any Credit Document or for the payment of damages in respect of any breach of any Credit Document, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable under the relevant Credit Document (the "**Agreed Currency**"), the party against whom the judgment or order is made shall indemnify and hold the Agents and the Lenders harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Agents and the Lenders arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which the Agents or the Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Agent or the Lender on the date of receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Credit Parties under the Credit Documents and shall apply irrespective of any indulgence granted by the Agents or any Lender.

Section 12.17. *Waiver of Sovereign Immunity*. Each of the Credit Parties, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that the Parent, the Borrowers, or any of their respective Subsidiaries or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings,

whether in the United States, Canada or elsewhere, to enforce or collect upon the Loans or any Credit Document or any other liability or obligation of the Parent, the Borrowers, or any of their respective Subsidiaries related to or arising from the transactions contemplated by any of the Credit Documents, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Parent and the Borrowers, for themselves and on behalf of their respective Subsidiaries, hereby expressly waive, to the fullest extent permissible under applicable law, any such immunity, and agree not to assert any such right or claim in any such proceeding, whether in the United States, Canada or elsewhere. Without limiting the generality of the foregoing, the Parent and the Lead Borrowers further agree that the waivers set forth in this Section 12.17 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

Section 12.18. *INTERCREDITOR AGREEMENT.* (a) EACH LENDER PARTY HERETO UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT IT (AND EACH OF ITS SUCCESSORS AND ASSIGNS) AND EACH OTHER LENDER (AND EACH OF THEIR SUCCESSORS AND ASSIGNS) SHALL BE BOUND BY THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT WHICH IN CERTAIN CIRCUMSTANCES MAY REQUIRE (AS MORE FULLY PROVIDED THEREIN) THE TAKING OF CERTAIN ACTIONS BY THE LENDERS, INCLUDING THE PURCHASE AND SALE OF PARTICIPATIONS BY VARIOUS LENDERS TO EACH OTHER IN ACCORDANCE WITH THE TERMS THEREOF.

(b) THE PROVISIONS OF THIS SECTION 12.18 ARE NOT INTENDED TO SUMMARIZE OR FULLY DESCRIBE THE PROVISIONS OF THE ABL/TERM INTERCREDITOR AGREEMENT OR ANY ADDITIONAL INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO THE ABL/TERM INTERCREDITOR AGREEMENT OR ANY ADDITIONAL INTERCREDITOR AGREEMENT, AS APPLICABLE, TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NO AGENT OR ANY OF AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT. A COPY OF THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT MAY BE OBTAINED FROM THE ADMINISTRATIVE AGENT.

(c) THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT IS AN AGREEMENT SOLELY

AMONGST THE LENDERS (AND THEIR SUCCESSORS AND ASSIGNS) AND IS NOT AN AGREEMENT TO WHICH PARENT OR ANY OF ITS SUBSIDIARIES IS PARTY. AS MORE FULLY PROVIDED THEREIN, THE ABL/TERM INTERCREDITOR AGREEMENT AND ANY ADDITIONAL INTERCREDITOR AGREEMENT CAN ONLY BE AMENDED BY THE PARTIES THERETO IN ACCORDANCE WITH THE PROVISIONS THEREOF.

Section 12.19. *Replacement of Lenders*. If the Lead Borrowers are entitled to replace a Lender pursuant to the provisions of Section 3.04(b), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Lead Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.01 and Section 4.01) and obligations under this Agreement and the related Credit Documents to an Eligible Transferee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(a) the Borrower shall have paid to the Administrative Agent the processing and recordation fee (if any) specified in Section 12.04(b)(iv).

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Lead Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.01 or payments required to be made pursuant to Section 4.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

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

Section 12.20. *Absence of Fiduciary Relationship*. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (ix) (A) the arranging and other services regarding this Agreement provided by the Administrative

Agent, the Joint Lead Arrangers, and the Lenders are arm's-length commercial transactions between the Borrower and its respective Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers, and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents; (x) (A) the Administrative Agent, the Joint Lead Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent, the Joint Lead Arrangers, nor any Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (xi) the Administrative Agent, the Arranger, the Joint Lead Arrangers, the Lenders, and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, the Joint Lead Arrangers, nor any Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Joint Lead Arrangers and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

BPS GREENLAND CORP.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.

8848076 CANADA CORP.

By: /s/ Michael J. Wall
Name: Michael J. Wall
Title: Secretary and General Counsel

[Signature Page to the Bauer ABL Credit Agreement]

BANK OF AMERICA, N.A.,
as Administrative Agent, Collateral
Agent, Swingline Lender, Issuing Bank
and a Lender

By: /s/ Steven Blumberg
Name: Steven Blumberg
Title: SVP

BANK OF AMERICA, N.A. (acting through its Canada branch)

By: /s/ Medina Sales de Andrade
Name: Medina Sales De Andrade
Title: Vice President

[Signature Page to the Bauer ABL Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent and Lender

/s/ John Murphy
Name: John Murphy
Title: Authorized Officer

[Signature Page to the Bauer ABL Credit Agreement]

ROYAL BANK OF CANADA,
as Syndication Agent and Lender

/s/ Edward Lynch
Name: Edward Lynch
Title: Authorized Signatory

[Signature Page to the Bauer ABL Credit Agreement]

FIFTH THIRD BANK,
as a Lender

/s/ Scott Kilgore

Name: Scott Kilgore

Title: Vice President

FIFTH THIRD BANK, (acting through its Canada Branch)

/s/ Stephen Pepper

Name: Stephen Pepper

Title: Vice President, Structured Finance

/s/ Mauro Spagnolo

Name: Mauro Spagnolo

Title: Managing Director & Principal Officer

WELLS FARGO BANK, N.A.,
as a Lender

/s/ Kevin M. Cox

Name: Kevin M. Cox
Title: Managing Director

WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA,
as a Lender

/s/ David G. Phillips

Name: David G. Phillips
Title: Senior Vice President, Credit
Officer

[Signature Page to the Bauer ABL Credit Agreement]

Schedule 1.01(a)
Unrestricted Subsidiaries

None.

Schedule 1.01(b)
Existing Letters of Credit

Beneficiary	Value	Expiry Date
Fifth Third Bank	CAD $350,000.00	05/01/14
Fifth Third Bank	USD $999,000.00	09/15/14
Fifth Third Bank	USD $114,000.00	01/01/15
Bank of America	EUR €10,000.00	04/21/15

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

Schedule 1.01(c)
Commitments

[Redacted – Lender Commitments].

Schedule 1.01(d)
Notice Office

Parent or the Lead Borrowers :

100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

Administrative Agent:
Gregory Kress
Senior Vice President
Bank of America Business Capital
Bank of America Merrill Lynch
Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 – 1181
F: (312) 453 – 4396
gregory.kress@baml.com

Schedule 7.12
Real Property

- **Owned Real Property**

None.

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

Schedule 7.14
Subsidiaries

Issuer	Class of Stock or other Interests	No. of Shares or Interests Issued and Outstanding	Holder(s)	Percentage of Class of Shares or Interests
KBAU Holdings Canada, Inc.	Common Stock	1,114.757	Bauer Performance Sports Ltd.	100%
BPS US Holdings Inc.	Common Stock	3082.43	Bauer Performance Sports Ltd. Bauer Hockey Corp.	75.67% 24.33%
Bauer Hockey Inc.	Common Stock	218.093	BPS US Holdings Inc.	100%
BPS Greenland Inc.	Common Stock	100	BPS US Holdings Inc.	100%
Bauer Hockey Corp.	Common Stock	1,114.757	KBAU Holdings Canada Inc.	100%
BPS Greenland Corp.	Common Stock	1	KBAU Holdings Canada Inc.	100%
Mission Itech Hockey, Inc.	Common Stock	1,541,344	Bauer Hockey, Inc.	100%
Bauer Performance Sports Uniforms Inc.	Common Stock	100	Bauer Hockey, Inc.	100%
Bauer Performance Lacrosse Inc.	Common Stock	100	Bauer Hockey, Inc.	100%
BPS Diamond Sports Inc.	Common Stock	100	Bauer Hockey, Inc.	100%
BPS Diamond Sports Corp.	Common Stock	1	Bauer Hockey Corp.	100%
Bauer Performance Lacrosse Corp.	Common Stock	1	Bauer Hockey Corp.	100%
Bauer Performance Sports Uniforms Corp.	Common Stock	1	Bauer Hockey Corp.	100%
8848076 Canada Corp.	Common Stock	3,329,011	Bauer Hockey Corp.	100%
Bauer Hockey AB	N/A	SEK 250,000	Bauer Hockey Corp.	100%
Bauer Hockey GmbH	N/A	25,564.59 EUR	Bauer Hockey Corp.	100%
Jacmal BV (Netherlands)	N/A	453,780.22 EUR	Bauer Hockey Corp.	100%

Issuer	Class of Stock or other Interests	No. of Shares or Interests Issued and Outstanding	Holder(s)	Percentage of Class of Shares or Interests
Bauer CR spol s.r.o. (Czech)	N/A	CZK 100,000	Jacmal BV (Netherlands)	100%
Bauer Hockey Finland	N/A	N/A	Bauer Hockey AB	100%
Bauer Hockey Norway	N/A	N/A	Bauer Hockey AB	100%
Bauer Hockey Denmark	N/A	N/A	Bauer Hockey AB	100%
[Redacted – Name of Subsidiary]	**[Redacted]**	**[Redacted]**	**[Redacted]**	**[Redacted]**

Schedule 7.18
Labor Matters

None.

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

Schedule 8.13
Post-Closing Actions

1. Within 90 days after the Closing Date (or such later date that the Administrative Agent in its sole discretion may permit), the Lead Borrowers shall deliver to the Administrative Agent the field exam, inventory appraisal and Borrowing Base Certificate required to be delivered pursuant to Section 5.17 of the Credit Agreement.

2. Within 90 days after the Closing Date (or such later date that the Administrative Agent in its sole discretion may permit), each Credit Party shall enter into the account control agreements required pursuant to Section 8.17(b) of the Credit Agreement.

3. Within 45 days after the Closing Date (or such later date that the Administrative Agent in its sole discretion may permit), the Parent shall deliver or cause to be delivered to the Administrative Agent all certificates of insurance and accompanying endorsements required to be delivered to the pursuant to Section 8.04(c) of the Credit Agreement.

4. The Administrative Agent shall be permitted a reasonable amount of time to engage any **[Redacted – Jurisdiction of Counsel]** counsel to review the collateral arrangements entered into on the Closing Date to provide or perfect a security interest in the Equity Interests of **[Redacted – Name of Subsidiary]** and any debt obligations of **[Redacted – Name of Subsidiary]** and the parties shall negotiate in good faith any reasonably required changes to such arrangements. Any expenses or fees incurred by the Administrative Agent in connection with and pursuant to such engagement and negotiations will be reimbursed by the Credit Parties pursuant to and in accordance with Section 12.01 of this Agreement.

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

Schedule 8.17(e)
Deposit Accounts

[Redacted – Deposit Account Information].

Schedule 9.01(c)
Existing Liens

None.

* CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. OMITTED MATERIAL IS MARKED WITH "[REDACTED]".

Schedule 9.04(f)
Existing Indebtedness

[Redacted – Intercompany Debt].

Schedule 9.05(c)
Existing Investments

None.

Schedule 9.05(z)
Agreed Subordination Terms

SECTION 1.01. Defined Terms.

"**ABL Administrative Agent**" shall mean Bank of America, N.A, as Administrative Agent under the ABL Credit Agreement.

"**ABL Collateral Agent**" shall mean Bank of America, N.A, as Collateral Agent under the ABL Credit Agreement.

"**ABL Credit Agreement** " shall mean the ABL Credit Agreement dated as of April __, 2014, by and among the Parent, Bauer Hockey Corp., a Canadian corporation, Bauer Hockey, Inc., a Vermont corporation, the other subsidiaries of the Parent party thereto, the ABL Administrative Agent and the ABL Collateral Agent.

"**ABL Term Intercreditor Agreement** " shall mean the ABL/Term Intercreditor Agreement dated as of April __, 2014, by and among the Parent, Bauer Hockey Corp., a Canadian corporation, Bauer Hockey, Inc., a Vermont corporation, the other subsidiaries of the Parent party thereto, the ABL Administrative Agent, the ABL Collateral Agent, the Term Administrative Agent and the Term Collateral Agent.

"**Agreement**" shall mean the Agreement to which this Annex A is attached.

"**Borrower**" shall have the meaning ascribed to such term in the Agreement.

"**Collateral Agents**" shall mean the Term Collateral Agent together with the ABL Collateral Agent.

"**Credit Agreement**" shall mean the Term Credit Agreement or the ABL Credit Agreement as applicable.

"**Default**" shall have the meaning ascribed to such term in the ABL Credit Agreement or the Term Credit Agreement as applicable.

"**Event of Default**" shall have the meaning ascribed to such term in the ABL Credit Agreement or the Term Credit Agreement as applicable.

"**Lender**" shall have the meaning ascribed to such term in the Agreement.

"**Loan**" shall have the meaning ascribed to such term in the Agreement.

"**Parent**" shall mean Bauer Performance Sports Ltd., a British Columbia corporation.

"**Proceeding**" shall mean any insolvency, bankruptcy, receivership, custodianship, liquidation, reorganization, assignment for the benefit of creditors or other proceeding for the liquidation, dissolution or other winding up of any Borrower.

"**Senior Indebtedness**" shall mean (a) the "Obligations" (as such term is defined in the ABL Credit Agreement and (b) the "Obligations" (as such term is defined in the Term Credit Agreement, in each case, together with (i) any amendments, restatements, modifications, renewals or extensions of any thereof and (ii) any interest accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest is an allowed or allowable claim. The Senior Indebtedness shall be considered to be outstanding whenever any commitment to make loans, issue letter of credits or otherwise extend credit under the ABL Credit Agreement or the Term Credit Agreement.

"**Subordinated Indebtedness**" of the principal of, interest on, and all other amounts owing in respect of, the Loan.

"**Term Administrative Agent**" shall mean Bank of America, N.A, as Administrative Agent under the Term Credit Agreement.

"**Term Collateral Agent**" shall mean Bank of America, N.A, as Collateral Agent under the Term Credit Agreement.

"**Term Credit Agreement** " shall mean the Term Loan Credit Agreement dated as of April __, 2014, by and among Parent, the lenders from time to time party thereto, the Term Administrative Agent and the Term Collateral Agent.

SECTION 1.02. Subordination of Liabilities. Each Borrower, for itself, and its successors and assigns, covenants and agrees, and each Lender under the Agreement by its acceptance thereof likewise covenants and agrees, that the payment of the Subordinated Indebtedness is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, to the prior payment in full in cash of all Senior Indebtedness. The provisions of this Annex A shall constitute a continuing offer to all persons who, in reliance upon such provisions, become holders of, or continue to hold, Senior Indebtedness, and such provisions are made for the benefit of the holders of Senior Indebtedness, and such holders are hereby made obligees hereunder the same as if their names were written herein as such, and they and/or each of them may proceed to enforce such provisions.

SECTION 1.03. Borrowers Not to Make Payments with Respect to Subordinated Indebtedness in Certain Circumstances .

(a) Upon receipt, by the Parent on behalf of each Borrower, of notice (delivered in accordance with the Credit Agreements) of the maturity of any Senior Indebtedness (including interest thereon, premium, if any, or fees or any amounts owing in respect thereof), whether at stated maturity, by acceleration or otherwise, all Obligations owing in respect thereof shall be paid in full in cash, before any payment (whether in cash, property, securities or otherwise) is made on account of the Subordinated Indebtedness.

(b) No Borrower may, directly or indirectly, make any payment of any Subordinated Indebtedness or acquire any Subordinated Indebtedness for cash or property until all Senior Indebtedness has been paid in full in cash following receipt, by the Parent on behalf of such Borrower, of notice (delivered in accordance with

the Credit Agreements) that any Default or Event of Default under the ABL Credit Agreement or the Term Credit Agreement is then in existence or would result therefrom. Each Lender hereby agrees that, following receipt, by the Parent on behalf of such Lender, of notice (delivered in accordance with the Credit Agreements) of the existence of any such Default or Event of Default, and for so long as any such Default or Event of Default exists, it will not ask, demand, sue for, or otherwise take, accept or receive, any amounts owing in respect of the Loan.

(c) In the event that, notwithstanding the provisions of the preceding subsections (a) and (b) of this Section 1.02, any Borrower shall make any payment on account of (or any Lender receives any payment on account of) the Subordinated Indebtedness at a time when payment is not permitted by said subsection (a) or (b), such payment shall be held by such Lender, in trust for the benefit of, and shall be paid forthwith over and delivered to, the Collateral Agents, for application, subject to the ABL/Term Intercreditor Agreement, to the payment of the Obligations remaining unpaid to the extent necessary to pay all such Obligations in full in cash in accordance with the terms of the Credit Agreement or other agreement governing such Obligations.

SECTION 1.04. Subordination to Prior Payment of All Senior Indebtedness, Dissolution, Liquidation or Reorganization of Borrowers. Upon any distribution of assets of any Borrower upon dissolution, winding up, liquidation or reorganization of such Borrower (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise):

(a) the holders of all Senior Indebtedness shall first be entitled to receive payment in full in cash of all Senior Indebtedness (including, without limitation, post-petition interest at the rate provided in the documentation with respect to the Senior Indebtedness whether or not such post-petition interest is an allowed claim against the debtor in any bankruptcy or similar proceeding) before any Lender is entitled to receive any payment of any kind or character on account of the Subordinated Indebtedness;

(b) any payment or distributions of assets of such Borrower of any kind or character, whether in cash, property or securities, to which the Lender would be entitled except for the provisions of this Annex A, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, first, subject to the ABL/Term Intercreditor Agreement, directly to the Collateral Agents to the extent necessary to pay all Obligations remaining unpaid in full in cash in accordance with the terms of the Credit Agreement or other agreement governing such Obligations; and

(c) in the event that, notwithstanding the foregoing provisions of this Section 1.03, any payment or distribution of assets of such Borrower of any kind or character, whether they be cash, property or securities, shall be received by the Lender on

account of Subordinated Indebtedness before all Senior Indebtedness is paid in full in cash, such payment shall be held by such Lender, in trust for the benefit of, and shall be paid forthwith over and delivered to, the Collateral Agents, for application, subject to the ABL/Term Intercreditor Agreement, to the payment of the Obligations remaining unpaid to the extent necessary to pay all such Obligations in full in cash in accordance with the terms of the Credit Agreement or other agreement governing such Obligations.

Without in any way modifying the provisions of this Annex A or affecting the subordination effected hereby, if the hereafter referenced notice is not given, each Borrower shall give prompt written notice to the Lender of any dissolution, winding up, liquidation or reorganization of such Borrower (whether in bankruptcy, insolvency or receivership proceedings or upon assignment for the benefit of creditors or otherwise).

SECTION 1.05. Subrogation. Subject to the prior payment in full in cash of all Senior Indebtedness, each Lender shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Issuers applicable to the Senior Indebtedness until all amounts owing under the Agreement shall be paid in full, and for the purpose of such subrogation no payments or distributions to the holders of the Senior Indebtedness by or on behalf of any Borrower or by or on behalf of any Lender by virtue of this Annex A that otherwise would have been made to a Lender shall, as between such Borrower, its creditors other than the holders of Senior Indebtedness, and such Lender, be deemed to be payment by such Borrower to or on account of the Senior Indebtedness, it being understood that the provisions of this Annex A are and are intended solely for the purpose of defining the relative rights of the Lenders, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

SECTION 1.06. Obligation of the Issuers Unconditional. Nothing contained in this Annex A or in the Agreement is intended to or shall impair, as between the Borrowers and the Lenders, the obligation of each Borrower, which is absolute and unconditional, to pay to the Lenders the principal of and interest on the Loan as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Lenders and other creditors of the Borrowers other than the Senior Indebtedness, nor, except as specifically provided herein, shall anything herein or therein prevent the Lenders from exercising all remedies otherwise permitted by applicable law upon an event of default under the Agreement, subject to the rights, if any, under this Annex A of the holders of Senior Indebtedness in respect of cash, property, or securities of the Borrowers received upon the exercise of any such remedy. Upon any distribution of assets of an Borrower, each Lender shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Lenders, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Borrower, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Annex

A.

SECTION 1.07. Subordination Rights Not Impaired by Acts or Omissions of the Issuers or Holders of Senior Indebtedness. No right of any present or future holders of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of an Issuer or by any act or failure to act in good faith by any such holder, or by any noncompliance by a Borrower with the terms and provisions of the Agreement, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

SECTION 1.08. Governing Law; Jurisdiction; Consent to Service of Process .

(a) THESE AGREED SUBORDINATION TERMS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION). ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THESE AGREED SUBORDINATION TERMS (EXCEPT THAT, IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY (AS DEFINED IN THE CREDIT AGREEMENT), ACTIONS OR PROCEEDINGS RELATED TO THESE AGREED SUBORDINATION TERMS SHALL BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THESE AGREED SUBORDINATION TERMS, EACH OF THE PARTIES HERETO IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THESE AGREED SUBORDINATION TERMS BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE

BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THESE AGREED SUBORDINATION TERMS BROUGHT IN THE COURTS REFERRED TO IN SECTION 1.08(a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THESE AGREED SUBORDINATION TERMS (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

SECTION 1.08. Miscellaneous. If, at any time, all or part of any payment with respect to Senior Indebtedness theretofore by a Borrower or any other person is rescinded or must otherwise be returned by the holder of Senior Indebtedness for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower or such other persons), the subordination provisions set forth herein shall continue to be effective and be reinstated, as the case may be, all as though such payment had not been made.

Schedule 9.06(g)
Affiliate Transactions

None.

EXHIBIT A-1

FORM OF NOTICE OF BORROWING
(U.S. DOLLAR DENOMINATED LOANS)

[Date]

Bank of America, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
Bank of America, N.A.
Gregory Kress
Senior Vice President
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 - 1181
gregory.kress@baml.com

Ladies and Gentlemen:

The undersigned, [Bauer Hockey Corp., a Canadian corporation][Bauer Hockey, Inc., a Vermont corporation], refers to the Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent, hereby gives you irrevocable notice pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Borrowing [on behalf of ___] under the Credit Agreement and sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.03 of the Credit Agreement:

(i) The Borrower shall be _____.

(ii) The Business Day of the Proposed Borrowing is _____, _____.

(iii) The aggregate principal amount of the Proposed Borrowing is US$_____].

(iv) The U.S. Dollar Denominated Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [U.S.Base Rate Loans] [LIBO Rate Loans].

(v) [The initial Interest Period for the Proposed Borrowing is [one month] [two months] [three months] [six months]].

(vi) The location and number of the account to which funds shall be disbursed is

as follows: [_____].

WIRE INSTRUCTIONS:

BANK NAME: _____

ABA (BANK ROUTING) #: _____

ACCOUNT NAME: _____

ACCOUNT #: _____

ATTENTION: _____

[The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Agreement and the other Credit Documents are and will be true and correct in all material respects (in each case, any representation or warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on such date), before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(B) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof; and

(C) Availability is adequate to cover the amount of the Proposed Borrowing.]

Very truly yours,

[BAUER HOCKEY, INC.][BAUER HOCKEY CORP.]

By: _____
Name:
Title:

EXHIBIT A-2

FORM OF NOTICE OF BORROWING
(CANADIAN DOLLAR DENOMINATED LOANS)

[Date]

Bank of America, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
Bank of America, N.A.
Gregory Kress
Senior Vice President
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 - 1181
gregory.kress@baml.com

Ladies and Gentlemen:

The undersigned, Bauer Hockey Corp., a Canadian corporation, refers to the Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp., a Canadian corporation, Bauer Hockey, Inc., a Vermont corporation, the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent, hereby gives you irrevocable notice pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Borrowing [on behalf of ___] under the Credit Agreement and sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.03 of the Credit Agreement:

(i) The Borrower shall be ___.

(ii) The Business Day of the Proposed Borrowing is _____, _____.

(iii) The aggregate principal amount of the Proposed Borrowing is CDN$_____.

(iv) The Canadian Dollar Denominated Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Canadian Prime Rate Loans] [CDOR Rate Loans].

(v) [The initial Interest Period for the Proposed Borrowing is [one month] [two months] [three months] [six months]].

(vi) The location and number of the account to which funds shall be disbursed is as follows: [_____].

WIRE INSTRUCTIONS:

BANK NAME: _____

ABA (BANK ROUTING) #: _____

ACCOUNT NAME: _____

ACCOUNT #: _____

ATTENTION: _____

[The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(D) the representations and warranties contained in the Credit Agreement and the other Credit Documents are and will be true and correct in all material respects (in each case, any representation or warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on such date), before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(E) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof; and

(F) Availability is adequate to cover the amount of the Proposed Borrowing.]

Very truly yours,

BAUER HOCKEY CORP.

By: _____

Name:

Title:

EXHIBIT A-3

FORM OF NOTICE OF CONVERSION/CONTINUATION
(U.S. DOLLAR DENOMINATED LOANS)

[Date]

Bank of America, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
Bank of America, N.A.
Gregory Kress
Senior Vice President
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 - 1181
gregory.kress@baml.com

Ladies and Gentlemen:

The undersigned, [Bauer Hockey Corp., a Canadian corporation][Bauer Hockey, Inc., a Vermont corporation], refers to the Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent, hereby gives you irrevocable notice that the undersigned hereby requests to [convert][continue] the Borrowing of U.S. Dollar Denominated Loans referred to below and sets forth below the information relating to such [conversion][continuation] (the "**Proposed [Conversion][Continuation]**") as required by Section 2.08 of the Credit Agreement:

(i) The Proposed [Conversion][Continuation] relates to the Borrowing of U.S. Dollar Denominated Loans originally made [by ___] on _____ __, 201_ (the "**Outstanding Borrowing**") in the principal amount of [$_____ and currently maintained as a Borrowing of [Base Rate Loans][LIBO Rate Loans with an Interest Period ending on_____ ___, 201_].

(ii) The Business Day of the Proposed [Conversion][Continuation] is _____.

(iii) The Outstanding Borrowing shall be [continued as a Borrowing of [U.S. Base Rate Loans] [LIBO Rate Loans with an Interest Period ending on_____ ___,_____]][converted into a Borrowing of [U.S. Base Rate Loans] [LIBO Rate Loans with an Interest Period ending on_____ ___, _____]].

[The undersigned hereby certifies that no Event of Default is in existence on the date of the Proposed Conversion.]

Very truly yours,

[BAUER HOCKEY, INC.][BAUER HOCKEY CORP.]

By: _____
Name:
Title:

EXHIBIT A-4

FORM OF NOTICE OF CONVERSION/CONTINUATION
(CANADIAN DOLLAR DENOMINATED LOANS)

[Date]

Bank of America, N.A., as Administrative Agent
(the "Administrative Agent") for the Lenders
party to the Credit Agreement referred to below
Bank of America, N.A.
Gregory Kress
Senior Vice President
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 - 1181
gregory.kress@baml.com

Ladies and Gentlemen:

The undersigned, Bauer Hockey Corp., a Canadian corporation, refers to the Credit Agreement, dated as of April 15, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp., a Canadian corporation, Bauer Hockey, Inc., a Vermont corporation, the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent, hereby gives you irrevocable notice pursuant to Section 2.19 of the Credit Agreement that the undersigned hereby requests to [convert][continue] the Borrowing of Canadian Dollar Denominated Loans referred to below and sets forth below the information relating to such [conversion][continuation] (the "**Proposed [Conversion][Continuation]**") as required by Section 2.08 of the Credit Agreement:

(i) The Proposed [Conversion][Continuation] relates to the Borrowing of Canadian Dollar Denominated Loans originally made [by ____] on _____ __, 201_ (the "**Outstanding Borrowing**") in the principal amount of [CAD$_____ and currently maintained as a Borrowing of [Canadian Prime Rate Loans][CDOR Rate Loans with an Interest Period ending on_____ ___, 201_].

(ii) The Business Day of the Proposed [Conversion][Continuation] is _____.

(iii) The Outstanding Borrowing shall be [continued as a Borrowing of [Canadian Prime Rate Loans] [CDOR Rate Loans with an Interest Period ending on_____ ___,_____]][converted into a Borrowing of [U.S. Base Rate Loans] [LIBO Rate Loans with an Interest Period ending on_____ ___, _____]].

[The undersigned hereby certifies that no Event of Default is in existence on the date of the Proposed Conversion.]

Very truly yours,

BAUER HOCKEY CORP.

By: _____
Name:
Title:

EXHIBIT B-1

FORM OF U.S. DOLLAR REVOLVING NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, [BAUER HOCKEY CORP., a Canadian corporation,][BAUER HOCKEY, INC., a Vermont corporation,] and each other borrower signatory hereto (collectively, the "Borrowers"), hereby jointly and severally promise to pay to [_____] (the "Lender"), in lawful money of the United States of America in immediately available funds, at the Payment Office (as defined in the Credit Agreement referred to below) on or before the Maturity Date (as defined in the Credit Agreement) the principal sum of _____ DOLLARS ($_____) or, if less, the unpaid principal amount of all U.S. Dollar Denominated Loans (as defined in the Credit Agreement) made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrowers promise also to pay interest on the unpaid principal amount of each U.S. Dollar Denominated Loan made by the Lender in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Note is one of the U.S. Dollar Revolving Notes referred to in the Credit Agreement, dated as of April 15, 2014, among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Credit Agreement). This Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Credit Agreement). As provided in the Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, and U.S. Dollar Denominated Loans may be converted from one Type (as defined in the Credit Agreement) into another Type to the extent provided in the Credit Agreement. This Note may only be transferred to the extent and in the manner set forth in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrowers hereby waive presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

[BORROWERS]

By: _____

Name:

Title:

EXHIBIT B-2

FORM OF CANADIAN DOLLAR REVOLVING NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, BAUER HOCKEY CORP., a Canadian corporation, and each other borrower signatory hereto (collectively, the "Borrowers"), hereby jointly and severally promise to pay to [_____] (the " Lender"), in lawful money of the United States of America in immediately available funds, at the Payment Office (as defined in the Credit Agreement referred to below) on or before the Maturity Date (as defined in the Credit Agreement) the principal sum of _____ CDN DOLLARS ($_____) or, if less, the unpaid principal amount of all Canadian Dollar Denominated Loans (as defined in the Credit Agreement) made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrowers promise also to pay interest on the unpaid principal amount of each Canadian Dollar Denominated Loan made by the Lender in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Note is one of the Canadian Dollar Revolving Notes referred to in the Credit Agreement, dated as of April 15, 2014, among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Credit Agreement). This Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Credit Agreement). As provided in the Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, and Canadian Dollar Denominated Loans may be converted from one Type (as defined in the Credit Agreement) into another Type to the extent provided in the Credit Agreement. This Note may only be transferred to the extent and in the manner set forth in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrowers hereby waive presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

[BORROWERS]

By: _____

Name:

Title:

EXHIBIT B-3

FORM OF U.S. DOLLAR SWINGLINE NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, [BAUER HOCKEY CORP., a Canadian corporation,] [BAUER HOCKEY, INC., a Vermont corporation,] and each other borrower signatory hereto (collectively, the "Borrowers"), hereby jointly and severally promise to pay to [_____] (the "Lender"), in lawful money of the United States of America in immediately available funds, at the Payment Office (as defined in the Credit Agreement referred to below) on or before the Maturity Date (as defined in the Credit Agreement) the principal sum of _____ DOLLARS ($_____) or, if less, the unpaid principal amount of all Swingline Loans (as defined in the Credit Agreement) denominated in U.S. Dollars made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrowers promise also to pay interest on the unpaid principal amount of each Swingline Loan made by the Lender in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Note is one of the Swingline Notes referred to in the Credit Agreement, dated as of April 15, 2014, among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Credit Agreement). This Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Credit Agreement). As provided in the Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part. This Note may only be transferred to the extent and in the manner set forth in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrowers hereby waive presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

[BORROWERS]

By: _____
Name:
Title:

EXHIBIT B-4

FORM OF CANADIAN DOLLAR SWINGLINE NOTE

$_____ New York, New York

_____ __, ____

FOR VALUE RECEIVED, BAUER HOCKEY CORP., a Canadian corporation, and each other borrower signatory hereto (collectively, the "Borrowers"), hereby jointly and severally promise to pay to [_____] (the " Lender"), in lawful money of the United States of America in immediately available funds, at the Payment Office (as defined in the Credit Agreement referred to below) on or before the Maturity Date (as defined in the Credit Agreement) the principal sum of _____ CDN DOLLARS ($_____) or, if less, the unpaid principal amount of all Swingline Loans (as defined in the Credit Agreement) denominated in Canadian Dollars made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrowers promise also to pay interest on the unpaid principal amount of each Swingline Loan made by the Lender in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Note is one of the Swingline Notes referred to in the Credit Agreement, dated as of April 15, 2014, among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Credit Agreement). This Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Credit Agreement). As provided in the Credit Agreement, this Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part. This Note may only be transferred to the extent and in the manner set forth in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrowers hereby waive presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

[BORROWERS]

By: _____

Name:

Title:

EXHIBIT C-1

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp. (the "**Lead Canadian Borrower**"), Bauer Hockey, Inc. (the "**Lead U.S. Borrower**", together with the Lead Canadian Borrower, the "**Lead Borrowers**"), the Subsidiary Borrowers named therein (together with the Lead Canadian Borrower and the Lead U.S. Borrower, the "**Borrowers**"), various Lender and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.01(c) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any of the Borrowers within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to any of the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Lead Borrowers with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Lead Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Lead Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT C-2

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp. (the "**Lead Canadian Borrower**"), Bauer Hockey, Inc. (the "**Lead U.S. Borrower**", together with the Lead Canadian Borrower, the "**Lead Borrowers**"), the Subsidiary Borrowers named therein (together with the Lead Canadian Borrower and the Lead U.S. Borrower, the "**Borrowers**"), various Lender and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.01(c) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any of the Borrowers within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to any of the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT C-3

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp. (the "**Lead Canadian Borrower**"), Bauer Hockey, Inc. (the "**Lead U.S. Borrower**", together with the Lead Canadian Borrower, the "**Lead Borrowers**"), the Subsidiary Borrowers named therein (together with the Lead Canadian Borrower and the Lead U.S. Borrower, the "**Borrowers**"), various Lender and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.01(c) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any of the Borrowers within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any of the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT C-4

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among Bauer Performance Sports Ltd., Bauer Hockey Corp. (the "**Lead Canadian Borrower**"), Bauer Hockey, Inc. (the "**Lead U.S. Borrower**", together with the Lead Canadian Borrower, the "**Lead Borrowers**"), the Subsidiary Borrowers named therein (together with the Lead Canadian Borrower and the Lead U.S. Borrower, the "**Borrowers**"), various Lender and Bank of America, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 4.01(c) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Revolving Loan(s) (as well as any Revolving Note(s) evidencing such Revolving Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Credit Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any of the Borrowers within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any of the Borrowers as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Lead Borrowers with IRS Form W-8IMY accompanied by one of the following forms from each of their partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Lead Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Lead Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT D

FORM OF ADMINISTRATIVE QUESTIONNAIRE

[See Attached]

FAX ALONG WITH COMMITMENT LETTER TO: _____

_____

FAX # _____

I. Borrower Name: _____

$__ Type of Credit Facility _____

II. Legal Name of Lender of Record for Signature Page:

_____

- **Signing Credit Agreement __X___ YES _____ NO**
- **Coming in via Assignment _____ YES __X__ NO**

III. Type of Lender: _____

(Bank, Asset Manager, Broker/Dealer, CLO/CDO, Finance Company, Hedge Fund, Insurance, Mutual Fund, Pension Fund, Other Regulated Investment Fund, Special Purpose Vehicle, Other – please specify)

IV. Domestic Address:

_____

_____

_____

_____

V. Eurodollar Address:

_____

_____

_____

_____

VI. Contact Information:

Syndicate level information (which may contain material non-public information about the Borrower and its related parties or their respective securities will be made available to the Credit Contact(s). The Credit Contacts identified must be able to receive such information in accordance with his/her institution's compliance procedures and applicable laws, including Federal and State securities laws.

	Credit Contact	Primary Operations Contact	Secondary Operations Contact
Name:			
Title:			
Address:			
Telephone:			
Facsimile:			
E Mail Address:			
IntraLinks E Mail Address:			

Does Secondary Operations Contact need copy of notices? ____YES ____ NO

	Letter of Credit Contact	Draft Documentation Contact	Legal Counsel
Name:			
Title:			
Address:			
Telephone:			
Facsimile:			
E Mail Address:			

PLEASE CHECK IF YOU CAN FUND IN THE CURRENCIES REQUIRED FOR THIS TRANSACTION LISTED BELOW:

VII. Lender's Fed Wire Payment Instructions for (U.S. Dollars in the U.S.):

Pay to:

(Bank Name)

(SWIFT) (Country)

(Account #) (Account Name)

(FFC Account #) (FFC Account Name)

(Attention)

VII. Lender's SWIFT Payment Instructions for [U.S. Dollars in Canada]:

Pay to:

(Bank Name)	
(SWIFT)	(Country)
(Account #)	(Account Name)
(FFC Account #)	(FFC Account Name)
(Attention)	
(Account #)	(Account Name)

VIII. Lender's SWIFT Payment Instructions for [Canadian $'s in Canada]:

Pay to:

(Bank Name)

(SWIFT) (Country)

(Account #) (Account Name)

(FFC Account #) (FFC Account Name)

(Attention)

X. Organizational Structure and Tax Status

Please refer to the enclosed withholding tax instructions below and then complete this section accordingly:

Lender Taxpayer Identification Number (TIN): _____ - _____

Tax Withholding Form Delivered to Bank of America*:

_____ **W-9**

_____ **W-8BEN**

_____ **W-8ECI**

_____ **W-8EXP**

_____ **W-8IMY**

Tax Contact

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E Mail Address: _____

1. Corporations:

If your institution is incorporated outside of the United States for U.S. federal income tax purposes, and is the beneficial owner of the interest and other income it receives, you must complete one of the following three tax forms, as applicable to your institution: a.) Form W-8BEN (Certificate of Foreign Status of Beneficial Owner), b.) Form W-8ECI (Income Effectively Connected to a U.S. Trade or Business), or c.) Form W-8EXP (Certificate of Foreign Government or Governmental Agency).

A U.S. taxpayer identification number is required for any institution submitting a Form W-8 ECI. It is also required on Form W-8BEN for certain institutions claiming the benefits of a tax treaty with the U.S. Please refer to the instructions when completing the form applicable to your institution. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **An original tax form must be submitted.**

2. Flow-Through Entities

If your institution is organized outside the U.S., and is classified for U.S. federal income tax purposes as either a Partnership, Trust, Qualified or Non-Qualified Intermediary, or other non-U.S. flow-through entity, an original Form W-8IMY (Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. branches for United States Tax Withholding) must be completed by the intermediary together with a withholding statement. Flow-through entities other than Qualified Intermediaries are required to include tax forms for each of the underlying beneficial owners.

Please refer to the instructions when completing this form. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **Original tax form(s) must be submitted**.

U.S. LENDER INSTITUTIONS:

If your institution is incorporated or organized within the United States, you must complete and return Form W-9 (Request for Taxpayer Identification Number and Certification). **Please be advised that we require an original form W-9** .

Pursuant to the language contained in the tax section of the Credit Agreement, the applicable tax form for your institution must be completed and returned on or prior to the date on which your institution becomes a lender under this Credit Agreement. Failure to provide the proper tax form when requested will subject your institution to U.S. tax withholding.

* Additional guidance and instructions as to where to submit this documentation can be found at this link:

Tax Form Tool Kit (2006) (2).doc

XI. Bank of America Payment Instructions:

Pay to: Bank of America, N.A.
ABA # 026009593
New York, NY
Acct. #_____
Acct. Name: Bank of America Business Capital
Ref: Name of Facility

EXHIBIT E

FORM OF CERTIFICATE OF OFFICER

[_____] (the "Company")

TO: Bank of America, N.A., as ABL Agent and Term Agent (as defined below)
AND TO: Each of the other Lenders (as defined in the Credit Agreements, as defined below)
RE: Credit agreement (the "ABL Credit Agreement") dated April 15, 2014 among, *inter alia,* Bauer Performance Sports Ltd., as parent, Bauer Hockey Corp., as lead Canadian borrower, Bauer Hockey, Inc., as lead U.S. borrower, each of the other borrowers from time to time party thereto, each of the guarantors from time to time party thereto, Bank of America, N.A., as administrative agent and collateral agent (the "ABL Agent") and each lender from time to time party thereto.

AND RE: Term loan credit agreement (the "Term Credit Agreement", and together with the ABL Credit Agreement, the "Credit Agreements") dated April 15, 2014 among, *inter alia,* the Company, as borrower, Bank of America, N.A., as administrative agent and collateral agent (the "Term Agent") and each lender from time to time party thereto.

Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the ABL Credit Agreement or Term Credit Agreement, as applicable.

I, [___], am the [_____]of the Company. As [___], I certify for and on behalf of the Company and without personal liability, that**:**

1. Attached as Exhibit "A" is a true and complete copy of the [notice of articles][articles of incorporation][certificate of formation] of the Company, including all amendments thereto, which, as so amended, is in full force and effect on the date hereof.

2. Attached hereto as Exhibit "B" is a true and complete copy of the [by-laws][limited liability company agreement] of the Company, with all amendments thereto, which, as so amended, is in full force and effect as of the date hereof and at all times since a date prior to the date of the resolutions described in clause (4) below.

3. Attached hereto as Exhibit "C" is a certificate of [existence][good standing] of the Company certified as of a recent date by the Secretary of State (or other similar official) of the Company's jurisdiction of organization. The Company has, from the date of such certificate, remained in good standing under the laws of such jurisdiction of organization.

4. Attached as Exhibit "D" are true and complete copies of certain resolutions of the directors of the Company authorizing, *inter alia*, the execution, delivery and performance by the Company of the Credit Agreements and the other Credit Documents to which the Company

is a party and such resolutions are in full force and effect and have not been amended.

5. Attached as Exhibit "E" is a list of certain of the officers and directors of the Company and set forth opposite each person's name is the position he or she occupies with the Company and**,** for those persons signing Credit Documents, a true specimen of his or her signature.

6. There is no pending proceeding for the dissolution or liquidation of the Company or, to my knowledge, threatening the existence of the Company.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the undersigned has hereunto set his name as of the date first set forth above.

_____

Name: [___]
Title: [___]

IN WITNESS WHEREOF, the undersigned, the [___]of the Company, hereby certifies that the person named above is the duly elected and qualified [___]of the Company and that the signature above is such [___]'s true and genuine signature.

_____

Name: [___]
Title: [___]

EXHIBIT F-1

FORM OF U.S. PLEDGE AGREEMENT

[See Attached]

EXECUTION VERSION

ABL U.S. PLEDGE AGREEMENT

among

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY, INC.,

BPS US HOLDINGS INC.,

BPS GREENLAND INC.,

CERTAIN OTHER SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.

and

BANK OF AMERICA, N.A.,

as

COLLATERAL AGENT

Dated as of April 15, 2014

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ABL U.S. PLEDGE AGREEMENT

ABL U.S. PLEDGE AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this " **Agreement**"), dated as of April 15, 2014, among each of the undersigned pledgors (each, a " **Pledgor**" and, together with any other entity that becomes a pledgor hereunder pursuant to Section 29 hereof, the "**Pledgors**") and Bank of America, N.A., as collateral agent (together with any successor collateral agent, the "**Pledgee**"), for the benefit of the Secured Creditors (as defined below).

W I T N E S S E T H:

WHEREAS, Bauer Performance Sports Ltd. (the " **Parent**"), Bauer Hockey Corp. and Bauer Hockey, Inc. (the " **Lead U.S. Borrower**", and together with Bauer Hockey Corp., the " **Lead Borrowers**"), the other Pledgors party thereto as borrowers (each, a "**Subsidiary Borrower**" and, together with the Lead Borrowers, the " **Borrowers**"), the other affiliates of the Pledgors party thereto, the lenders party thereto from time to time (the "**Lenders**"), Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**"), the Swingline Lender and Issuing Banks party thereto, have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**Credit Agreement**"), providing for the making of Revolving Loans to, and the issuance of Letters of Credit on behalf of, the Parent and the Borrowers as contemplated therein (the Lenders, the Swingline Lender, each Issuing Bank, the Collateral Agent, the Administrative Agent and each other agent named therein are herein called the "**Lender Creditors**");

WHEREAS, the Parent, the Lead Borrowers and/or one or more of their Subsidiaries may at any time and from time to time enter into one or more Secured Bank Product Obligations with Secured Bank Product Providers (such Secured Bank Product Providers, if any, collectively, the "**Other Creditors**" and, together with the Lender Creditors, the " **Secured Creditors**");

WHEREAS, pursuant to the ABL Guaranty dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**ABL Guaranty**"), each Subsidiary Guarantor (as defined in the Credit Agreement) has jointly and severally guaranteed to the Secured Creditors the payment when due of all Secured Obligations;

WHEREAS, it is a condition precedent to the making of Revolving Loans to, and the issuance of Letters of Credit on behalf of, the Borrowers under the Credit Agreement and to the Other Creditors entering into Secured Bank Product Obligations that each Pledgor shall have executed and delivered to the Pledgee this Agreement; and

WHEREAS, each Pledgor will obtain benefits from the incurrence of Revolving Loans by, and the issuance of Letters of Credit on behalf of, the Borrowers under the Credit Agreement and the entering into by the Parent, the Lead Borrowers and/or one or more of their respective Restricted Subsidiaries of Secured Bank Product Obligations and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Revolving Loans to, and issue Letters of Credit on behalf of, the Borrowers and

the Other Creditors to enter into Secured Bank Product Obligations with the Parent, the Lead Borrowers and/or one or more of their respective Restricted Subsidiaries;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Pledgee for the benefit of the Secured Creditors and hereby covenants and agrees with the Pledgee for the benefit of the Secured Creditors as follows:

Section 1. *Security for Obligations.*

This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure such Pledgor's Secured Obligations:

Section 2. *Definitions.*

(a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"**ABL Guaranty**" shall have the meaning set forth in the recitals hereto.

"**Administrative Agent**" shall have the meaning set forth in the recitals hereto.

"**Adverse Claim**" shall have the meaning given such term in Section 8-102(a)(1) of the UCC.

"**Agreement**" shall have the meaning set forth in the first paragraph hereof.

"**Borrowers**" shall have the meaning set forth in the recitals hereto.

"**Certificated Security**" shall have the meaning given such term in Section 8-102(a)(4) of the UCC.

"**Clearing Corporation**" shall have the meaning given such term in Section 8 -102(a)(5) of the UCC.

"**Collateral**" shall have the meaning set forth in Section 3(a) hereof.

"**Collateral Accounts**" shall mean any and all accounts established and maintained by the Pledgee in the name of any Pledgor to which Collateral may be credited.

"**Credit Agreement**" shall have the meaning set forth in the recitals hereto.

"**Domestic Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Event of Default**" shall mean (a) at any time prior to the time at which all Commitments have been terminated , all Letters of Credit have expired or been terminated and all Obligations have been paid in full (other than (i) unasserted contingent indemnification obligations, (ii) Letters of Credit which have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent and (iii) Secured Bank Product Obligations) and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (b) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"**Excluded Collateral**" shall have the meaning given such term in the U.S. Security Agreement.

"Excluded Swap Obligations" shall have the meaning given such term in the ABL Guaranty.

"**Financial Asset**" shall have the meaning given such term in Section 8-102(a)(9) of the UCC.

"**Foreign Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Guaranteed Obligations**" shall have the meaning given such term in the ABL Guaranty.

"**Indemnitees**" shall have the meaning set forth in Section 11 hereof.

"**Instrument**" shall have the meaning given such term in Section 9-102(a)(47) of the UCC.

"**Investment Property**" shall have the meaning given such term in Section 9-102(a)(49) of the UCC.

"**Lead Borrowers**" shall have the meaning set forth in the recitals hereto.

"**Lead U.S. Borrower**" shall have the meaning set forth in the recitals hereto.

"**Lender Creditors**" shall have the meaning set forth in the recitals hereto.

"**Lenders**" shall have the meaning set forth in the recitals hereto.

"**Limited Liability Company Assets**" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all limited liability company capital and interest in other limited liability companies), at any time owned by any Pledgor or represented by any Limited Liability Company Interest.

"**Limited Liability Company Interests**" shall mean the entire limited liability company membership interest at any time owned by any Pledgor in any limited liability company.

"**Location**" of any Pledgor has the meaning given such term in Section 9-307 of the UCC.

"**Non-Voting Equity Interests**" shall mean all Equity Interests of any Person which are not Voting Equity Interests.

"**Notes**" shall mean (a) all intercompany notes at any time issued to each Pledgor and (b) all other promissory notes from time to time issued to, or held by, each Pledgor.

"**Other Creditors**" shall have the meaning set forth in the recitals hereto.

"**Parent**" shall have the meaning set forth in the recitals hereto.

"**Partnership Assets**" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned by any Pledgor or represented by any Partnership Interest.

"**Partnership Interest**" shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership.

"**Pledged Notes**" shall mean all Notes at any time pledged or required to be pledged hereunder.

"**Pledgee**" shall have the meaning set forth in the first paragraph hereof.

"**Pledgor**" shall have the meaning set forth in the first paragraph hereof.

"**Proceeds**" shall have the meaning given such term in Section 9-102(a)(64) of the UCC.

"**Registered Organization**" shall have the meaning given such term in Section 9-102(a)(70) of the UCC.

"**Required Secured Creditors**" shall have the meaning provided in the U.S. Security Agreement.

"**Secured Creditors**" shall have the meaning set forth in the recitals hereto.

"Secured Credit Obligations" shall mean the Secured Obligations excluding, in each case, all Secured Obligations consisting of Secured Bank Product Obligations.

"**Secured Debt Agreements**" shall mean and includes (a) this Agreement, (b) the other Credit Documents and (c) the Secured Bank Product Obligations entered into with any Other Creditors.

"**Secured Obligations**" shall mean, with respect to each Pledgor, the Guaranteed Obligations of such Pledgor excluding, in each case, all Excluded Swap Obligations for such Pledgor.

"**Securities Account**" shall have the meaning given such term in Section 8-501(a) of the UCC.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, as in effect from time to time.

"**Securities Intermediary**" shall have the meaning given such term in Section 8-102(a)(14) of the UCC.

"**Security**" and "**Securities**" shall have the meaning given such term in Section 8-102(a)(15) of the UCC and shall in any event also include all Stock and all Notes.

"**Security Entitlement**" shall have the meaning given such term in Section 8-102(a)(17) of the UCC.

"**Stock**" shall mean (a) with respect to any corporation, company or other body corporate incorporated under the laws of (i) the United States, any State thereof or the District of Columbia or (ii) Canada or any Province or Territory thereof (each, a "**Domestic Corporation**"), all of the issued and outstanding shares of capital stock of such Domestic Corporation at any time owned by any Pledgor and (b) with respect to any corporation, company or other body corporate not a Domestic Corporation (each, a "**Foreign Corporation**"), all of the issued and outstanding shares of capital stock of such Foreign Corporation at any time owned by any Pledgor.

"**Subsidiary Borrowers**" shall have the meaning set forth in the recitals hereto.

"**Termination Date**" shall have the meaning set forth in Section 20 hereof.

"**UCC**" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time; *provided* that all references herein to specific Sections or subsections of the UCC are references to such Sections or subsections, as the case may be, of the Uniform Commercial Code as in effect in the State of New York on the date hereof.

"**Uncertificated Security**" shall have the meaning given such term in Section 8-102(a)(18) of the UCC.

"**Voting Equity Interests**" shall have the meaning provided in the U.S. Security Agreement.

Section 3. *Pledge of Securities, Etc.*

(a) *Pledge.* To secure the Secured Obligations now or hereafter owed or to be performed by such Pledgor (but subject to clause (x) of the proviso at the end of this Section 3(a) in the case of the Voting Equity Interests of Foreign Subsidiaries and FSHCOs pledged hereunder), each Pledgor does hereby grant, pledge and assign to the Pledgee for the benefit of the Secured Creditors, and does hereby create a continuing security interest (subject to those Liens permitted to exist with respect to the Collateral pursuant to the terms of all Secured Debt Agreements then in effect) in favor of the Pledgee for the benefit of the Secured Creditors in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "**Collateral**"):

(i) each of the Collateral Accounts (to the extent a security interest therein is

not created pursuant to the Security Agreement), including any and all assets of whatever type or kind deposited by such Pledgor in any such Collateral Account, whether now owned or hereafter acquired, existing or arising, including, without limitation, all Financial Assets, Investment Property, monies, checks, drafts, Instruments, Securities or interests therein of any type or nature deposited or required by the Credit Agreement or any other Secured Debt Agreement to be deposited in such Collateral Account, and all investments and all certificates and other Instruments (including depository receipts, if any) from time to time representing or evidencing the same, and all dividends, interest, distributions, cash and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

(ii) all Securities owned or held by such Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Securities;

(iii) all Limited Liability Company Interests owned by such Pledgor from time to time and all of its right, title and interest in each limited liability company to which each such Limited Liability Company Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Limited Liability Company Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Limited Liability Company Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Limited Liability Company Interests;

(B) all other payments due or to become due to such Pledgor in respect of Limited Liability Company Interests, whether under any limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any limited liability company agreement or operating agreement, or at law or otherwise in respect of such Limited Liability Company Interests;

(D) all present and future claims, if any, of such Pledgor against any such limited liability company for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Limited Liability Company Interests, including any power to terminate, cancel or modify any such limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the

name of such Pledgor in respect of such Limited Liability Company Interests and any such limited liability company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Limited Liability Company Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(iv) all Partnership Interests owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such Partnership Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests, including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or

for any Partnership Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(v) all Financial Assets and Investment Property owned by such Pledgor from time to time;

(vi) all Security Entitlements owned by such Pledgor from time to time in any and all of the foregoing; and

(vii) all Proceeds of any and all of the foregoing;

provided that notwithstanding anything to the contrary in this clause (a), the term "Collateral" and the pledge hereunder shall not include any Excluded Collateral.

(b) *Procedures.*

(i) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by such Pledgor) be pledged pursuant to Section 3(a) hereof and, in addition thereto, subject to the ABL/Term Intercreditor Agreement, such Pledgor shall (to the extent provided below) take the following actions as set forth below (as promptly as practicable) for the benefit of the Pledgee and the other Secured Creditors:

(A) with respect to a Certificated Security (other than a Certificated Security credited on the books of a Clearing Corporation or Securities Intermediary), such Pledgor shall physically deliver such Certificated Security to the Pledgee, endorsed to the Pledgee or endorsed in blank to the extent the interests represented by such Certificated Security are required to be pledged hereunder;

(B) with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing Corporation or Securities Intermediary), and at any time any Event of Default under the Credit Agreement has occurred and is continuing, such Pledgor shall cause the issuer of such Uncertificated Security, promptly, upon the request of the Collateral Agent, to duly authorize, execute, and deliver to the Pledgee, an agreement for the benefit of the Pledgee and the other Secured Creditors substantially in the form of Annex F hereto (appropriately completed to the reasonable satisfaction of the Pledgee and with such modifications, if any, as shall be reasonably satisfactory to the Pledgee) pursuant to which such issuer agrees to comply with any and all instructions originated by the Pledgee

without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security (and any Partnership Interests and Limited Liability Company Interests issued by such issuer) originated by any other Person other than a court of competent jurisdiction;

(C) with respect to a Partnership Interest or a Limited Liability Company Interest (other than a Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), (1) if such Partnership Interest or Limited Liability Company Interest is represented by a certificate and is a Security for purposes of the UCC, the procedure set forth in Section 3(b)(i)(A) hereof, and (2) if such Partnership Interest or Limited Liability Company Interest is not represented by a certificate or is not a Security for purposes of the UCC, the procedure set forth in Section 3(b)(i)(B);

(D) with respect to any Note (other than a Note which does not have a principal amount in excess of $100,000), such Pledgor shall physically deliver such Note to the Pledgee, endorsed in blank, or, at the request of the Pledgee, endorsed to the Pledgee; and

(E) with respect to cash proceeds from any of the Collateral described in Section 3(a) hereof, such Pledgor shall deposit of such cash in the Dominion Account or any other Deposit Account that is subject to a Deposit Account Control Agreement;

provided that, notwithstanding anything to the contrary contained in this Section 3(b)(i), a Pledgor shall not be required to take the actions set forth in this Section with respect to any Certificated Security, Uncertificated Security, Partnership Interest or Limited Liability Company Interest of a Person that is not a Subsidiary of such Pledgor to the extent the aggregate fair market value of all such Collateral does not exceed $100,000.

(i i) In addition to the actions required to be taken pursuant to Section 3(b)(i) hereof, each Pledgor shall take the following additional actions with respect to the Collateral:

(A) with respect to all Collateral of such Pledgor described in Sections 3(b)(i)(A) to (D) hereof, whereby or with respect to which the Pledgee may obtain "control" thereof within the meaning of Section 8-106 of the UCC (or under any provision of the UCC as same may be amended or supplemented from time to time, or under the laws of any relevant State other than the State of New York), such Pledgor shall take all actions as may be reasonably requested from time to time by the Pledgee so that "control" of such Collateral is obtained and at all times held by the Pledgee (including, without limitation, the delivery of Certificated Securities, accompanied by executed instruments of transfer endorsed in blank, or, at the request of the Pledgee, endorsed to the Pledgee); and

(B) each Pledgor shall from time to time cause appropriate financing statements (on appropriate forms) under the Uniform Commercial Code, covering all Collateral hereunder (with the form of such financing statements to be reasonably

satisfactory to the Pledgee), to be filed in the relevant filing offices, so that at all times the Pledgee's security interest in the Investment Property and other Collateral which can be perfected by the filing of such financing statements (in each case to the maximum extent perfection by filing may be obtained under the laws of the relevant States, including, without limitation, Section 9-312(a) of the UCC) is so perfected.

(c) *Subsequently Acquired Collateral.* If any Pledgor shall acquire (by purchase, stock dividend, distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, (i) such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3(a) hereof and, furthermore, such Pledgor will thereafter take (or cause to be taken) all action (as promptly as practicable) with respect to such Collateral in accordance with the procedures set forth in Section 3(b) hereof. Without limiting the foregoing, each Pledgor shall be required to pledge hereunder the Equity Interests of any FSHCO or Foreign Subsidiary at any time and from time to time after the date hereof acquired by such Pledgor, *provided* that any such pledge of Voting Equity Interests of any FSHCO or Foreign Subsidiary shall be subject to the proviso to Section 3(a) hereof.

(d) *Transfer Taxes.* Each pledge of Collateral under Section 3(a) or Section 3(c) hereof shall be accompanied by any transfer tax stamps required in connection with the pledge of such Collateral.

(e) *Certain Representations and Warranties Regarding the Collateral.* Each Pledgor represents and warrants that on the date hereof: (i) each Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex B hereto; (ii) the Stock (and any warrants or options to purchase Stock) held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) of the corporations as described in Annex C hereto; (iii) such Stock referenced in clause (ii) of this paragraph constitutes that percentage of the issued and outstanding capital stock of the issuing corporation (or other applicable issuer) as is set forth in Annex C hereto; (iv) the Notes held by such Pledgor consist of the intercompany notes and the promissory notes described in Annex D hereto where such Pledgor is listed as the lender; (v) the Limited Liability Company Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex D hereto; (vi) each such Limited Liability Company Interest referenced in clause (v) of this paragraph constitutes that percentage of the issued and outstanding equity interest of the issuing Person as set forth in Annex D hereto; (vii) the Partnership Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex E hereto; (viii) each such Partnership Interest referenced in clause (ix) of this paragraph constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex E hereto; (ix) the Pledgor has complied with the respective procedure set forth in Section 3(b)(i) hereof with respect to each item of Collateral described in Annexes B through E hereto; and (x) on the date hereof, such Pledgor owns no other Securities, Stock, Notes, Limited Liability Company Interests or Partnership Interests which are required to be pledged under Section 3(a) hereof.

Section 4. *Appointment of Sub-Agents; Endorsements, Etc.*

The Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining

physical possession of the Collateral, which may be held (in the reasonable discretion of the Pledgee) in the name of the relevant Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee.

Section 5. *Voting, Etc., While No Event of Default.*

For greater certainty, unless and until there shall have occurred and be continuing any Event of Default under the Credit Agreement, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof. All such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease at any time after the occurrence and during the continuance of an Event of Default and, except in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, upon prior written notice from the Pledgee of its intent to exercise its rights under this Agreement, and Section 7 hereof shall become applicable.

Section 6. *Dividends and Other Distributions.*

For greater certainty, except as permitted under the Credit Agreement, unless and until there shall have occurred and be continuing an Event of Default and, other than in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, the Pledgee shall have given prior written notice of its intent to exercise such rights to the Pledgor, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the respective Pledgor, *provided*, that all cash dividends payable in respect of the Collateral which are reasonably determined by the Pledgee to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital shall be paid, to the extent so determined to represent an extraordinary, liquidating or other distribution in return of capital, to the Pledgee and retained by it as part of the Collateral. While this Agreement is in effect, the Pledgee shall be entitled to receive directly, and to retain as part of the Collateral:

(a) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above) paid or distributed by way of dividend or otherwise in respect of the Collateral;

(b) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash (although such cash may be paid directly to the respective Pledgor so long as no Event of Default then exists)) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and

(c) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash) which may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Pledgee’s right to receive

the proceeds of the Collateral in any form in accordance with Section 3 hereof. All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this Section 6 or Section 7 hereof shall be received in trust for the benefit of the Pledgee, shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

Section 7. *Remedies in Case of an Event of Default.* (a) If there shall have occurred and be continuing an Event of Default, then and in every such case, subject to the terms of the ABL/Term Intercreditor Agreement, the Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Secured Debt Agreement or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Pledgee shall be entitled to exercise all the rights and remedies of a secured party under the UCC as in effect in any relevant jurisdiction and also shall be entitled, without limitation, to exercise the following rights, with each Pledgor hereby agreeing that the rights set forth in clauses (i), (ii), (iii), (iv) and (vi) below are commercially reasonable:

(i) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the respective Pledgor;

(ii) to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;

(iii) to accelerate any Pledged Note which may be accelerated in accordance with its terms, and take any other lawful action to collect upon any Pledged Note (including, without limitation, to make any demand for payment thereon);

(iv) to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);

(v) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and at such time or times, at such place or places and on such terms as the Pledgee may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable, *provided* at least 10 days' written notice of the time and place of any such sale shall be given to the respective Pledgor. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether

before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security or the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Pledgee nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(vi) to set off any and all Collateral against any and all Secured Obligations, and to withdraw any and all cash or other Collateral from any and all Collateral Accounts and to apply such cash and other Collateral to the payment of any and all Secured Obligations.

(b) It is understood and agreed that in respect of Collateral consisting of Uncertificated Securities, Partnership Interests and Limited Liability Company Interests subject of an agreement substantially in the form of Annex F and as described in Section 3(b)(i)(B), unless an Event of Default has occurred and is continuing, the Pledgee shall not deliver to the issuer of such Uncertificated Securities, Partnership Interests or Limited Liability Company Interests, as the case may be, a notice stating that the Pledgee is exercising exclusive control of such Uncertificated Securities, Partnership Interests or Limited Liability Company Interests, as the case may be, under, and as described in such respective agreement.

Section 8. *Remedies, Cumulative, Etc.*

Each and every right, power and remedy of the Pledgee provided for in this Agreement or in any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and, subject to Section 12(c) hereof, shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Pledgee, in each case, acting upon the instructions of the Required Secured Creditors, and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee for the benefit of the Secured Creditors upon the terms of this Agreement and the Security Agreement.

Section 9. *Application of Proceeds.*

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all monies collected by the Pledgee upon any sale or other disposition of the Collateral as a result of the exercise of any

remedies by the Pledgee after the occurrence and during the continuance of an Event of Default pursuant to the terms of this Agreement, together with all other monies received by the Pledgee hereunder, shall be applied in the manner provided in the Credit Agreement.

(b) It is understood and agreed that each Pledgor shall remain jointly and severally liable with respect to the Secured Obligations to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of the Secured Obligations.

Section 10. *Purchasers of Collateral.*

Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making such sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

Section 11. *Indemnity and Payment of Expenses.*

The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

Section 12. *Pledgee Not A Partner or Limited Liability Company.*

(a) Nothing herein shall be construed to make the Pledgee or any other Secured Creditor liable as a member of any limited liability company or as a partner of any partnership and neither the Pledgee nor any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or as a partner in any partnership. The parties hereto expressly agree that, unless the Pledgee shall become the absolute owner of Collateral consisting of a Limited Liability Company Interest or a Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Pledgee, any other Secured Creditor, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 12, the Pledgee, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 12.

(c) The Pledgee and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

Section 13. *Further Assurances; Power-of-Attorney.*

(a) Each Pledgor agrees that it will join with the Pledgee in executing and, at such Pledgor's own expense, file and refile under the UCC or other applicable law such financing statements, continuation statements and other documents, in form reasonably acceptable to the Pledgee, in such offices as the Pledgee (acting on its own or on the instructions of the Required Secured Creditors) may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Pledgee's security interest in the Collateral hereunder and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral (including, without limitation, financing statements which list the Collateral specifically and/or as "all assets whether now owned or hereafter acquired" without the signature of such Pledgor where permitted by law), and agrees to do such further acts and things and to execute and deliver to the Pledgee such additional conveyances, assignments, agreements and instruments as the Pledgee may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder or thereunder.

(b) Each Pledgor hereby constitutes and appoints the Pledgee its true and lawful attorney-in-fact, irrevocably, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance of an Event of Default and after giving any written prior notice required hereunder (if any) to the relevant Pledgor, in the Pledgee's discretion, to act, require, demand, receive and give acquittance for any and all monies and claims for monies due or to become due to such Pledgor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings and to execute any instrument which the Pledgee may deem reasonably necessary or advisable to accomplish the purposes of this Agreement to the fullest extent permitted by applicable law, which appointment as attorney is coupled with an interest.

Section 14. *The Pledgee as Collateral Agent.*

The Pledgee will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood, acknowledged and agreed by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Pledgee as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Article 11 of the Credit Agreement. The Pledgee shall act hereunder on the terms and conditions set forth herein and in Article 11 of the Credit Agreement.

Section 15. *Transfer by the Pledgors.*

Except as permitted (a) prior to the date all Secured Credit Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated, pursuant to the Credit Agreement, and (b) thereafter, pursuant to the other Secured Debt Agreements, no Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein.

Section 16. *Representations, Warranties and Covenants of the Pledgors.*

(a) Each Pledgor represents, warrants and, until the Termination Date, covenants as to itself and each of its Subsidiaries that:

(i) it is the legal, beneficial and (except as to Securities credited on the books of a Clearing Corporation or a Securities Intermediary) record owner of, and has good and valid title to, all of its Collateral consisting of one or more Securities, Partnership Interests and Limited Liability Company Interests and that it has sufficient interest in all of its Collateral in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option, Adverse Claim or other encumbrance whatsoever, except the liens and security interests created by this Agreement or permitted under the Secured Debt Agreements);

(ii) it has full power, authority and legal right to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, subject to (A) the effects of bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law) and (B) as it relates to the pledge of any capital stock of Foreign Subsidiaries of the Parent, the effects of the possible judicial application of foreign laws or foreign governmental or judicial action affecting creditors' rights;

(iv) no consent of any other party (including, without limitation, any stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no material consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (A) the execution, delivery or performance of this Agreement by such Pledgor, (B) the validity or enforceability of this Agreement against such Pledgor, (C) the filing of any financing statements, the perfection or enforceability of the Pledgee's security interest in such Pledgor's Collateral or (D) except for compliance with or as may be required by applicable securities laws, the exercise by the Pledgee of any of its rights or remedies provided herein, in each case, except as would not reasonable be expected to have a Material Adverse Effect;

(v) neither the execution, delivery or performance by such Pledgor of this Agreement, or any other Secured Debt Agreement to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, (A) will contravene any provision of any applicable law, statute, rule or regulation, or any applicable order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, applicable to such Pledgor, (B) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents and Permitted Liens) upon any of the properties or assets of any such Pledgor or any of its Subsidiaries pursuant to the terms of, any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which such Pledgor or any of its Subsidiaries is a party or by which it or any of its properties or assets is bound or to which it may be subject (except, in the case of preceding clauses (A) and (B), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect); or (C) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of such Pledgor or any of its Subsidiaries.

(vi) all of such Pledgor's Collateral (consisting of Securities, Limited Liability Company Interests and Partnership Interests issued by any Pledgor or any Subsidiary of any Pledgor) has been duly and validly issued, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii) each of such Pledgor's Pledged Notes issued by any Pledgor or any Subsidiary of any Pledgor constitutes, or when executed by the obligor thereof will constitute, the legal, valid and binding obligation of such obligor, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law);

(viii) the pledge, collateral assignment and delivery to the Pledgee of such Pledgor's Collateral consisting of Certificated Securities and Pledged Notes pursuant to this Agreement and the continued possession thereof by the Pledgee or an Affiliate creates a valid and perfected security interest in such Certificated Securities and Pledged Notes, and the proceeds thereof, having the priority specified in the ABL/Term Intercreditor Agreement, subject to no prior Lien or encumbrance or to any agreement purporting to grant to any third party a Lien or encumbrance on the property or assets of such Pledgor which would include the Securities (other than the liens and security interests permitted under the Secured Debt Agreements then in effect) and the Pledgee is entitled to all the rights, priorities and benefits afforded by the UCC or other relevant law as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral; and

(ix) to the extent required by Section 3(b) hereof, the Pledgor shall have taken all steps in its control so that the Pledgee may obtain "control" (as defined in Section 8-106 of the UCC) over all of such Pledgor's Collateral consisting of Securities (including, without limitation, Notes that are Securities) with respect to which such "control" may be obtained pursuant to Section 8-106 of the UCC, except to the extent that the obligation of the applicable Pledgor to provide the Pledgee with "control" of such Collateral has not yet arisen under this Agreement.

(b) Each Pledgor covenants and agrees that it will defend the Pledgee's right, title and security interest in and to such Pledgor's Collateral (whether now owned or hereinafter acquired) and the proceeds thereof against the claims and demands of all persons whomsoever.

Section 17. *Pledgors' Obligations Absolute, Etc.* The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination of this Agreement pursuant to Section 19 hereof or, with respect to a specific Pledgor, release of such Pledgor pursuant to Section 31 hereof), including, without limitation:

(a) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from any Secured Debt Agreement (other than this Agreement in accordance with its terms), or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement (other than a waiver, consent or extension with respect to this Agreement in accordance with its terms);

(c) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee;

(d) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

Section 18. *Sale of Collateral Without Registration.*

If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Collateral consisting of Securities, Limited Liability Company Interests or Partnership Interests pursuant to Section 7 hereof, and such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee

may, in its sole and absolute discretion, sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion (a) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof shall have been filed under such Securities Act, (b) may approach and negotiate with a single possible purchaser to effect such sale, and (c) may restrict such sale to a purchaser who will represent and agree, among other things, that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Pledgee, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until the registration as aforesaid.

Section 19. *Termination; Release.*

(a) On the Termination Date (as defined below), this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination) and the Pledgee, at the request and expense of such Pledgor, will execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement (including, without limitation, UCC termination statements and instruments of satisfaction, discharge and/or reconveyance), and will duly release from the security interest created hereby and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Pledgee or any of its sub-agents hereunder and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement, together with any moneys at the time held by the Pledgee or any of its sub-agents hereunder and, with respect to any Collateral consisting of an Uncertificated Security, a Partnership Interest or a Limited Liability Company Interest (other than an Uncertificated Security, Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), a termination of the agreement relating thereto executed and delivered by the issuer of such Uncertificated Security pursuant to Section 3(b)(i)(B) or by the respective partnership or limited liability company pursuant to Section 3(b)(i)(D)(2). As used in this Agreement, "**Termination Date**" shall mean the date upon which the Commitments under the Credit Agreement have been terminated and all Secured Credit Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Revolving Loans and LC Disbursements thereunder have been repaid in full and all Letters of Credit have expired or otherwise terminated (excluding any contingent indemnity obligations not then asserted and Letters of Credit which have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent).

(b) In the event that any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) (x) at any time prior to the time at which all Secured Credit Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated and all Letters of Credit have expired or otherwise terminated , in connection with a sale

or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or a greater percentage of Lenders if required by Section 12.10 of the Credit Agreement) or (y) at any time thereafter, to the extent permitted by the other Secured Debt Agreements, the Pledgee, at the request and expense of such Pledgor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or released and as may be in the possession of the Pledgee (or, in the case of Collateral held by any sub-agent designated pursuant to Section 4 hereof, such sub-agent) and has not theretofore been released pursuant to this Agreement.

(c) At any time that any Pledgor desires that the Pledgee take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 20(a) or (b), such Pledgor shall deliver to the Pledgee (and the relevant sub-agent, if any, designated pursuant to Section 4 hereof) a certificate signed by a Responsible Officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to (a) or (b) hereof.

(d) The Pledgee shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 20.

Section 20. *Notices, Etc.*

(a) Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Pledgee or any Pledgor shall not be effective until received by the Pledgee or such Pledgor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(i) if to any Pledgor, at its address set forth opposite its signature below;

(ii) if to the Pledgee, at:

Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
Attention: Gregory Kress
Senior Vice President
Telephone No.: (617) 346 – 1181
Telecopier No.: (312) 453 – 4396

(iii) if to any Lender Creditor, either (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement, or (y) at such address as such Lender Creditor shall have specified in the Credit Agreement; and

(iv) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Pledgors and the Pledgee;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

(v) Notices and other communications to the Pledgee hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Pledgee. The Pledgee or any Pledgor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Section 21. *Waiver; Amendment.*

Except as provided in Section 31 and 32 hereof, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in accordance with the requirements specified in the Security Agreement.

Section 22. *Successors and Assigns.*

This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 19 hereof, (ii) be binding upon each Pledgor, its successors and assigns; provided, however, that no Pledgor shall assign any of its rights or obligations hereunder without the prior written consent of the Pledgee (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Pledgee hereunder, to the benefit of the Pledgee, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Pledgor herein or in any certificate or other instrument delivered by such Pledgor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

Section 23. *Headings Descriptive.*

The headings of the several Sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 24. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL.*

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE

PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS THAT WOULD CAUSE THE LAW OF ANY OTHER JURISDICTION TO APPLY. ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT (EXCEPT THAT, (X) IN THE CASE OF ANY COLLATERAL LOCATED IN ANY STATE OTHER THAN NEW YORK, PROCEEDINGS MAY BE BROUGHT BY THE ADMINISTRATIVE AGENT OR PLEDGEE IN THE STATE IN WHICH THE RESPECTIVE COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING, WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING), OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH SUCH PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER IT. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 21 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE PLEDGEE OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES

AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 25. *Pledgor's Duties.*

It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Pledgor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Pledgee shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, except for the safekeeping of Collateral actually in Pledgor's possession, nor shall the Pledgee be required or obligated in any manner to perform or fulfill any of the obligations of any Pledgor under or with respect to any Collateral.

Section 26. *Counterparts.*

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each Pledgor and the Pledgee. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

Section 27. *Severability.*

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 28. *Recourse.*

This Agreement is made with full recourse to each Pledgor and pursuant to and upon all the representations, warranties, covenants and agreements on the part of such Pledgor contained herein and in the other Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

Section 29. *Additional Pledgors.*

It is understood and agreed that any Restricted Subsidiary of the Parent that is required to become a party to this Agreement after the date hereof pursuant to the requirements of the Credit

Agreement or any other Credit Document, shall become a Pledgor hereunder by (x) executing a counterpart hereof, or a joinder agreement in form and substance satisfactory to the Pledgee, and delivering the same to the Pledgee, (y) delivering supplements to Annexes A through G, hereto as are necessary to cause such annexes to be complete and accurate with respect to such additional Pledgor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Pledgor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Pledgee and with all documents and actions required above to be taken to the reasonable satisfaction of the Pledgee.

Section 30. *Limited Obligations.*

It is the desire and intent of each Pledgor and the Secured Creditors that this Agreement shall be enforced against each Pledgor to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. Notwithstanding anything to the contrary contained herein, in furtherance of the foregoing, it is noted that the obligations of each Pledgor constituting a Guarantor have been limited as provided in the ABL Guaranty.

Section 31. *Release of Pledgors.*

If at any time all of the Equity Interests of any Pledgor owned by the Parent or any of its Subsidiaries are sold (to a Person other than a Credit Party) in a transaction permitted pursuant to the Credit Agreement (and which does not violate the terms of any other Secured Debt Agreement then in effect), then, such Pledgor shall be released as a Pledgor pursuant to this Agreement without any further action hereunder (it being understood that the sale of all of the Equity Interests in any Person that owns, directly or indirectly, all of the Equity Interests in any Pledgor shall be deemed to be a sale of all of the Equity Interests in such Pledgor for purposes of this Section), and the Pledgee is authorized and directed to execute and deliver such instruments of release as are reasonably satisfactory to it. At any time that the Lead U.S. Borrower desires that a Pledgor be released from this Agreement as provided in this Section 32, the Lead U.S. Borrower shall deliver to the Pledgee a certificate signed by a Responsible Officer of the Borrower stating that the release of such Pledgor is permitted pursuant to this Section 31.

Section 32. *ABL/Term Intercreditor Agreement.*

This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Pledgee pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Pledgee (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with

respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement. Prior to the Discharge of Fixed Asset Obligations (as defined in the ABL/Term Intercreditor Agreement), the delivery or granting of "control" (as defined in the UCC) of any Fixed Asset Collateral (as defined in the ABL/Term Intercreditor Agreement) to the collateral agent under the Term Loan Credit Agreement pursuant to the terms of the Fixed Asset Collateral Documents (as defined in the ABL/Term Intercreditor Agreement) shall satisfy any such delivery or granting of "control" requirement hereunder or under any other Credit Document with respect to any Fixed Asset Collateral to the extent that such delivery or granting of "control" is consistent with the terms of the ABL/Term Intercreditor Agreement.

* * * *

IN WITNESS WHEREOF, each Pledgor and the Pledgee have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY, INC.

BAUER HOCKEY CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS INC.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

MISSION ITECH HOCKEY, INC.

By: _____

Name:

Title:

Address: 100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

Accepted and Agreed to:
BANK OF AMERICA, N.A
as Collateral Agent and Pledgee

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
ABL U.S. PLEDGE AGREEMENT

SCHEDULE OF SUBSIDIARIES

Entity	Ownership	Jurisdiction of Organization	Direct Owner

ANNEX B
to
ABL U.S. PLEDGE AGREEMENT

SCHEDULE OF STOCK

1.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of ABL U.S. Pledge Agreement

2.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of ABL U.S. Pledge Agreement

ANNEX C
to
ABL U.S. PLEDGE AGREEMENT

SCHEDULE OF NOTES

ANNEX D
to
ABL U.S. PLEDGE AGREEMENT

SCHEDULE OF LIMITED LIABILITY COMPANY INTERESTS

1.

Name of Issuing Limited Company	Type of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of ABL U.S. Pledge Agreement

2.

Name of Issuing Limited Company	Type of Shares	Certificate No.	Percentage Owned	Sub-clause of Section 3.2(a) of ABL U.S. Pledge Agreement

ANNEX E
to
ABL U.S. PLEDGE AGREEMENT

SCHEDULE OF PARTNERSHIP INTERESTS

ANNEX F
to
ABL U.S. PLEDGE AGREEMENT

Form of Agreement Regarding Uncertificated Securities, Limited Liability Company Interests and Partnership Interests

AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this " **Agreement**"), dated as of [_____ __, 20_], among the undersigned pledgor (the "**Pledgor**"), [_____], not in its individual capacity but solely as Collateral Agent (the "**Pledgee**"), and [_____] as the issuer of the Uncertificated Securities, Limited Liability Company Interests and/or Partnership Interests (each as defined below) (the "**Issuer**").

W I T N E S S E T H :

WHEREAS, the Pledgor, certain of its affiliates and the Pledgee have entered into an ABL U.S. Pledge Agreement, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "**ABL U.S. Pledge Agreement** "), under which, among other things, in order to secure the payment of the Secured Obligations (as defined in the ABL U.S. Pledge Agreement), the Pledgor has or will pledge to the Pledgee for the benefit of the Secured Creditors (as defined in the ABL U.S. Pledge Agreement), and grant a security interest in favor of the Pledgee for the benefit of the Secured Creditors in, all of the right, title and interest of the Pledgor in and to certain ["**uncertificated securities**" (as defined in Section 8-102(a)(18) of the Uniform Commercial Code, as adopted in the State of New York) ("**Uncertificated Securities**")] [Partnership Interests (as defined in the ABL U.S. Pledge Agreement)] [Limited Liability Company Interests (as defined in the ABL U.S. Pledge Agreement)], from time to time issued by the Issuer, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such [Uncertificated Securities] [Partnership Interests] [Limited Liability Company Interests] being herein collectively called the "**Issuer Pledged Interests**"); and

WHEREAS, the Pledgor desires the Issuer to enter into this Agreement in order to perfect the security interest of the Pledgee under the ABL U.S. Pledge Agreement in the Issuer Pledged Interests, to vest in the Pledgee control of the Issuer Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Pledgor hereby irrevocably authorizes and directs the Issuer, and the Issuer hereby agrees, to comply with any and all instructions and orders originated by the Pledgee (and its successors and assigns) regarding any and all of the Issuer Pledged Interests without the further consent by the registered owner (including the Pledgor), and, following its receipt of a notice from the Pledgee stating that the Pledgee is exercising exclusive control of the Issuer Pledged Interests, not to comply with any instructions or orders regarding any or all of the Issuer Pledged Interests originated by any person or entity other than the Pledgee (and its successors and assigns) or a court

of competent jurisdiction.

2 . The Issuer hereby certifies that (i) no notice of any security interest, lien or other encumbrance or claim affecting the Issuer Pledged Interests (other than the Permitted Liens) has been received by it, and (ii) the security interest of the Pledgee in the Issuer Pledged Interests has been registered in the books and records of the Issuer.

3 . The Issuer hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Issuer Pledged Interests to the Pledgee, for the benefit of the Secured Creditors, does not violate the charter, by-laws, partnership agreement, membership agreement or any other agreement governing the Issuer or the Issuer Pledged Interests, and (ii) the Issuer Pledged Interests consisting of capital stock of a corporation are fully paid and nonassessable.

4. All notices, statements of accounts, reports, prospectuses, financial statements and other communications to be sent to the Pledgor by the Issuer in respect of the Issuer will also be sent to the Pledgee at the following address:

Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
Attention: Gregory Kress
Senior Vice President
Telephone No.: (617) 346 – 1181
Telecopier No.: (312) 453 – 4396

5 . Following its receipt of a notice from the Pledgee stating that the Pledgee is exercising exclusive control of the Issuer Pledged Interests and until the Pledgee shall have delivered written notice to the Issuer that the Termination Date has occurred and this Agreement is terminated, the Issuer will send any and all redemptions, distributions, interest or other payments in respect of the Issuer Pledged Interests from the Issuer for the account of the Pledgee only by wire transfers to such account as the Pledgee shall instruct.

6 . Except as expressly provided otherwise in Sections 4 and 5 hereof, all notices, instructions, orders and communications hereunder shall be sent or delivered by mail, telegraph, telex, telecopy, cable or overnight courier service and all such notices and communications shall, when mailed, telexed, telecopied, cabled or sent by overnight courier, be effective when deposited in the mails or delivered to overnight courier, prepaid and properly addressed for delivery on such or the next Business Day, or sent by telex or telecopier, except that notices and communications to the Pledgee or the Issuer shall not be effective until received. All notices and other communications shall be in writing and addressed as follows:

(i) if to the Pledgor, at:

[_____]
[_____]
[_____]
Attention: [_____]
Telephone No.: [_____]
Telecopier No.: [_____]

(ii) if to the Pledgee, at the address given in Section 4 hereof;

(iii) if to the Issuer, at

_____
_____
_____

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder. As used in this Section 6, "**Business Day**" means any day other than a Saturday, Sunday, or other day in which banks in New York are authorized to remain closed.

7 . This Agreement shall be binding upon the successors and assigns of the Pledgor and the Issuer and shall inure to the benefit of and be enforceable by the Pledgee and its successors and permitted assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing signed by the Pledgee, the Issuer and the Pledgor.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its principles of conflict of laws.

9 . This Agreement is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Credit Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of the ABL/Term Intercreditor Agreement shall govern.

IN WITNESS WHEREOF, the Pledgor, the Pledgee and the Issuer have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[_____], as Pledgor

By: _____
Name:
Title:

BANK OF AMERICA, N.A., not in its individual capacity but solely as Collateral Agent and Pledgee

By: _____
Name:
Title:

By: _____
Name:
Title:

[[_____], as the Issuer]

By: _____
Name:
Title:

EXHIBIT F-2

FORM OF CANADIAN PLEDGE AGREEMENT

[See Attached.]

ABL CANADIAN PLEDGE AGREEMENT

among

BAUER PERFORMANCE SPORTS LTD.,

CERTAIN SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.

and

BANK OF AMERICA, N.A.,

as COLLATERAL AGENT

Dated as of April 15, 2014

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ABL CANADIAN PLEDGE AGREEMENT

ABL CANADIAN PLEDGE AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "**Agreement**"), dated as of April 15, 2014, among each of the undersigned pledgors (each, a "**Pledgor**" and, together, the "**Pledgors**") and Bank of America, N.A., as collateral agent (together with any successor collateral agent, the "**Collateral Agent**"), for the benefit of the Secured Creditors (as defined below).

W I T N E S S E T H :

WHEREAS, Bauer Performance Sports Ltd. (the "**Parent**"), Bauer Hockey Corp. and Bauer Hockey, Inc. (the "**Lead U.S. Borrower**", and together with Bauer Hockey Corp., the "**Lead Borrowers**"), the other Pledgors party thereto as borrowers (each, a "**Subsidiary Borrower**" and, together with the Lead Borrowers, the "**Borrowers**"), the other affiliates of the Pledgors party thereto, the lenders party thereto from time to time (the "**Lenders**"), Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**"), the Swingline Lender and Issuing Banks party thereto, have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**Credit Agreement**"), providing for the making of Revolving Loans to, and the issuance of Letters of Credit on behalf of, the Parent and the Borrowers as contemplated therein (the Lenders, the Swingline Lender, each Issuing Bank, the Collateral Agent, the Administrative Agent and each other agent named therein are herein called the "**Lender Creditors**");

WHEREAS, the Parent, the Lead Borrowers and/or one or more of their Subsidiaries may at any time and from time to time enter into one or more Secured Bank Product Obligations with Secured Bank Product Providers (such Secured Bank Product Providers, if any, collectively, the "**Other Creditors**" and, together with the Lender Creditors, the "**Secured Creditors**");

WHEREAS, pursuant to the ABL Guaranty dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time in accordance with its terms, the "**ABL Guaranty**"), each Subsidiary Guarantor (as defined in the Credit Agreement) has jointly and severally guaranteed to the Secured Creditors the payment when due of all Secured Obligations;

WHEREAS, it is a condition precedent to the making of Revolving Loans to, and the issuance of Letters of Credit on behalf of, the Borrowers under the Credit Agreement and to the Other Creditors entering into Secured Bank Product Obligations that each Pledgor shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each Pledgor will obtain benefits from the incurrence of Revolving Loans by, and the issuance of Letters of Credit on behalf of, the Borrowers under the Credit Agreement and the entering into by the Parent, the Lead Borrowers and/or one or more of their respective Restricted Subsidiaries of Secured Bank Product Obligations and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Revolving Loans to, and issue Letters of Credit on behalf of, the Borrowers and the Other Creditors to enter into Secured Bank Product Obligations with the Parent, the Lead

Borrowers and/or one or more of their respective Restricted Subsidiaries ;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

Section 1. *Security for Obligations.*

This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure such Pledgor's Secured Obligations:

Section 2. *Definitions.*

(a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"**ABL Guaranty**" shall have the meaning set forth in the recitals hereto.

"**Administrative Agent**" shall have the meaning set forth in the recitals hereto.

"**Agreement**" shall have the meaning set forth in the first paragraph hereof.

"**Borrowers**" shall have the meaning set forth in the recitals hereto.

"**Certificated Security**" shall have the meaning given such term in the PPSA.

"**Clearing House**" shall have the meaning given such term in the PPSA.

"**Collateral**" shall have the meaning set forth in Section 3(a) hereof.

"**Collateral Accounts**" shall mean any and all accounts established and maintained by the Collateral Agent in the name of any Pledgor to which Collateral may be credited.

"**Collateral Agent**" shall have the meaning set forth in the first paragraph hereof.

"**Credit Agreement**" shall have the meaning set forth in the recitals hereto.

"**Domestic Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Event of Default**" shall mean (a) at any time prior to the time at which all Commitments have been terminated , all Letters of Credit have expired or been terminated and all Obligations have been paid in full (other than (i) unasserted contingent indemnification obligations, (ii) Letters of

Credit which have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent and (iii) Secured Bank Product Obligations) and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (b) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"**Excluded Collateral**" shall have the meaning given such term in the Canadian Security Agreement.

"**Excluded Swap Obligations**" shall have the meaning given such term in the ABL Guaranty.

"**Financial Asset**" shall have the meaning given such term in the PPSA.

"**Foreign Corporation**" shall have the meaning set forth in the definition of "Stock."

"**Guaranteed Obligations**" shall have the meaning given such term in the ABL Guaranty.

"**Instrument**" shall have the meaning given such term in the PPSA.

"**Investment Property**" shall have the meaning given such term in the PPSA.

"**Lead Borrowers**" shall have the meaning set forth in the recitals hereto.

"**Lead U.S. Borrower**" shall have the meaning set forth in the recitals hereto.

"**Lender Creditors**" shall have the meaning set forth in the recitals hereto.

"**Lenders**" shall have the meaning set forth in the recitals hereto.

"**Non-Voting Equity Interests**" shall mean all Equity Interests of any Person which are not Voting Equity Interests.

"**Notes**" shall mean (a) all intercompany notes at any time issued to each Pledgor and (b) all other promissory notes from time to time issued to, or held by, each Pledgor.

"**Other Creditors**" shall have the meaning set forth in the recitals hereto.

"**Parent**" shall have the meaning set forth in the recitals hereto.

"**Partnership Assets**" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned by any Pledgor or represented by any Partnership Interest.

"**Partnership Interest**" shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership.

"**Pledged Notes**" shall mean all Notes at any time pledged or required to be pledged

hereunder.

"**Pledgor**" shall have the meaning set forth in the first paragraph hereof.

"**PPSA**" means the *Personal Property Security Act* (Ontario); provided that, if perfection or the effect of perfection or non-perfection of the priority of the security interests created by this Agreement is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Proceeds**" shall have the meaning given such term in the PPSA.

"**Required Secured Creditors**" shall have the meaning provided in the Canadian Security Agreement.

"**Secured Creditors**" shall have the meaning set forth in the recitals hereto.

"Secured Credit Obligations" shall mean the Secured Obligations excluding, in each case, all Secured Obligations consisting of Secured Bank Product Obligations.

"**Secured Debt Agreements**" shall mean and includes (a) this Agreement, (b) the other Credit Documents and (c) the Secured Bank Product Obligations entered into with any Other Creditors.

"Secured Obligations" shall mean, with respect to each Pledgor, the Obligations (as such term is defined in the Canadian Security Agreement) and the Guaranteed Obligations of such Pledgor, excluding, in each case, all Excluded Swap Obligations for such Pledgor.

"**Securities Account**" shall have the meaning given such term in the PPSA.

"**Securities Intermediary**" shall have the meaning given such term in the PPSA.

"**Security**" and "**Securities**" shall have the meaning given such term in the PPSA and shall in any event also include all Stock and all Notes.

"**Security Entitlement**" shall have the meaning given such term in the PPSA.

"**Stock**" shall mean (a) with respect to any corporation, company or other body corporate incorporated under the laws of (i) the United States, any state thereof or the District of Columbia or (ii) Canada or any province or territory thereof (each, a "**Domestic Corporation**"), all of the issued and outstanding shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in such Domestic Corporation's equity or capital at any time owned by any Pledgor and (b) with respect to any corporation, company or other body corporate not a Domestic Corporation (each, a "**Foreign Corporation**"), all of the issued and outstanding shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in such Foreign Corporation's equity or capital at any time owned by any Pledgor.

"**Subsidiary Borrowers**" shall have the meaning set forth in the recitals hereto.

"**Termination Date**" shall have the meaning set forth in Section 19 hereof.

"**ULC**", "**ULC Legislation**" and "**ULC Shares**" shall have the meanings set forth in Section 34 hereof.

"**Uncertificated Security**" shall have the meaning given such term in the PPSA.

"**Voting Equity Interests**" shall have the meaning provided in the U.S. Security Agreement.

Section 3. *Pledge of Securities, Etc.*

(a) *Pledge.* To secure the Secured Obligations now or hereafter owed or to be performed by such Pledgor, each Pledgor does hereby pledge, assign, mortgage, charge and grant to the Collateral Agent, for the benefit of the Secured Creditors, as and by way of a fixed and specific mortgage and charge, and grant to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest (subject to those Liens permitted to exist with respect to the Collateral pursuant to the terms of all Secured Debt Agreements then in effect) in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "**Collateral**"):

(i) each of the Collateral Accounts (to the extent a security interest therein is not created pursuant to the Security Agreement), including any and all assets of whatever type or kind deposited by such Pledgor in any such Collateral Account, whether now owned or hereafter acquired, existing or arising, including, without limitation, all Financial Assets, Investment Property, Money, cheques, drafts, Instruments, Securities or interests therein of any type or nature deposited or required by the Credit Agreement or any other Secured Debt Agreement to be deposited in such Collateral Account, and all investments and all certificates and other Instruments (including depository receipts, if any) from time to time representing or evidencing the same, and all dividends, interest, distributions, cash, Money and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

(ii) all Securities owned or held by such Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Securities;

(iii) all Partnership Interests owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such Partnership Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests, including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Asset, to enforce or execute any cheques, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(iv) all Financial Assets and Investment Property owned by such Pledgor from time to time;

(v) all Security Entitlements owned by such Pledgor from time to time in any and all of the foregoing; and

(vi) all Proceeds of any and all of the foregoing;

provided that notwithstanding anything to the contrary in this clause (a), the term "Collateral" and the pledge hereunder shall not include any Excluded Collateral.

(b) *Procedures.*

(i) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically

(and without the taking of any action by such Pledgor) be pledged pursuant to Section 3(a) hereof and, in addition thereto, subject to the ABL/Term Intercreditor Agreement, such Pledgor shall (to the extent provided below) take the following actions as set forth below (as promptly as practicable) for the benefit of the Collateral Agent and the other Secured Creditors:

(A) with respect to a Certificated Security (other than a Certificated Security credited on the books of a Clearing House or Securities Intermediary), such Pledgor shall physically deliver such Certificated Security to the Collateral Agent, endorsed to the Collateral Agent or endorsed in blank to the extent the interests represented by such Certificated Security are required to be pledged hereunder;

(B) with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing House or Securities Intermediary), and at any time any Event of Default under the Credit Agreement has occurred and is continuing, such Pledgor shall cause the issuer of such Uncertificated Security, promptly, upon the request of the Collateral Agent, to duly authorize, execute, and deliver to the Collateral Agent, an agreement for the benefit of the Collateral Agent and the other Secured Creditors substantially in the form of Annex E hereto (appropriately completed to the reasonable satisfaction of the Collateral Agent and with such modifications, if any, as shall be reasonably satisfactory to the Collateral Agent) pursuant to which such issuer agrees to comply with any and all instructions originated by the Collateral Agent without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security (and any Partnership Interests issued by such issuer) originated by any other Person other than a court of competent jurisdiction;

(C) with respect to a Partnership Interest (other than a Partnership Interest credited on the books of a Clearing House or Securities Intermediary), (1) if such Partnership Interest is represented by a certificate and is a Security for purposes of the *Securities Transfer Act, 2006* (Ontario) (the "**STA**)" or securities transfer legislation in another applicable jurisdiction in Canada, the procedure set forth in Section 3(b)(i)(A) hereof; and (2) if such Partnership Interest is not represented by a certificate or is not a Security for purposes of the STA or securities transfer legislation in another applicable jurisdiction in Canada, the procedure set forth in Section 3(b)(i)(B) hereof;

(D) with respect to any Note (other than a Note which does not have a principal amount in excess of $100,000), such Pledgor shall physically deliver such Note to the Collateral Agent, endorsed in blank, or, at the request of the Collateral Agent, endorsed to the Collateral Agent; and

(E) with respect to cash proceeds from any of the Collateral described in Section 3(a) hereof, such Pledgor shall deposit of such cash in the Dominion Account or any other Deposit Account that is subject to a Deposit Account Control Agreement;

provided that, notwithstanding anything to the contrary contained in this Section 3(b)(i), a Pledgor shall not be required to take the actions set forth in this Section with respect to any Certificated Security, Uncertificated Security or Partnership Interest of a Person that is not a Subsidiary of such Pledgor to the extent the aggregate fair market value of all such Collateral does not exceed $100,000.

(ii) In addition to the actions required to be taken pursuant to Section 3(b)(i) hereof, each Pledgor shall take the following additional actions with respect to the Collateral:

(A) with respect to all Collateral of such Pledgor described in Sections 3(b)(i)(A) to (D) hereof, whereby or with respect to which the Collateral Agent may obtain "control" thereof within the meaning of the PPSA, such Pledgor shall take all actions as may be reasonably requested from time to time by the Collateral Agent so that "control" of such Collateral is obtained and at all times held by the Collateral Agent (including, without limitation, the delivery of Certificated Securities, accompanied by executed instruments of transfer endorsed in blank, or, at the request of the Collateral Agent, endorsed to the Collateral Agent); and

(B) each Pledgor shall from time to time cause appropriate financing statements under the PPSA, covering all Collateral hereunder (with the form of such financing statements to be reasonably satisfactory to the Collateral Agent), to be filed in the relevant filing offices, so that at all times the Collateral Agent's security interest in the Investment Property and other Collateral which can be perfected by the filing of such financing statements (in each case to the maximum extent perfection by filing may be obtained under the laws of the relevant jurisdiction, including, without limitation, Section 23 of the PPSA) is so perfected.

(c) *Subsequently Acquired Collateral.* If any Pledgor shall acquire (by purchase, stock dividend, distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, (i) such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3(a) hereof and, furthermore, such Pledgor will thereafter take (or cause to be taken) all action (as promptly as practicable) with respect to such Collateral in accordance with the procedures set forth in Section 3(b) hereof.

(d) *Transfer Taxes.* Each pledge of Collateral under Section 3(a) or Section 3(c) hereof shall be accompanied by any transfer tax stamps required in connection with the pledge of such Collateral.

(e) *Certain Representations and Warranties Regarding the Collateral.* Each Pledgor represents and warrants that on the date hereof: (i) each Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex B hereto; (ii) the Stock (and any warrants or options to purchase Stock) held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) of the corporations as described in Annex B hereto; (iii) such Stock referenced in clause (ii) of this paragraph constitutes that percentage of the issued and outstanding

capital stock of the issuing corporation (or other applicable issuer) as is set forth in Annex B hereto; (iv) the Notes held by such Pledgor consist of the intercompany notes and the promissory notes described in Annex C hereto where such Pledgor is listed as the lender; (v) the Partnership Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex D hereto; (vi) each such Partnership Interest referenced in clause (v) of this paragraph constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex D hereto; (vii) the Pledgor has complied with the respective procedure set forth in Section 3(b)(i) hereof with respect to each item of Collateral described in Annexes B through E hereto; and (viii) on the date hereof, such Pledgor owns no other Securities, Stock, Notes or Partnership Interests which are required to be pledged under Section 3(a) hereof.

(f) *Attachment.* Each Pledgor has rights in its Collateral and agrees that the Secured Creditors have given value and that the security interests created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon such Pledgor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Collateral Agent. In each case, the parties do not intend to postpone the attachment of any security interests created by this Agreement.

(g) *In Addition to Other Rights; No Marshalling.* This Agreement is in addition to and is not in any way prejudiced by or merged with any other security interest or Lien now or subsequently held by the Collateral Agent in respect of any Secured Obligations. The Secured Creditors shall be under no obligation to marshal in favour of the Pledgors any other security interest or Lien or any money or other property that the Secured Creditors may be entitled to receive or may have a claim upon.

Section 4. *Appointment of Sub-Agents; Endorsements, Etc.*

The Collateral Agent shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of the Collateral, which may be held (in the reasonable discretion of the Collateral Agent) in the name of the relevant Pledgor, endorsed or assigned in blank or in favour of the Collateral Agent or any nominee or nominees of the Collateral Agent or a sub-agent appointed by the Collateral Agent.

Section 5. *Voting, Etc., While No Event of Default.*

For greater certainty, unless and until there shall have occurred and be continuing any Event of Default under the Credit Agreement, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof. Subject to Section 34 hereof, all such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease at any time after the occurrence and during the continuance of an Event of Default and, except in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, upon prior written notice from the Collateral Agent of its intent to exercise its rights under this Agreement, and Section 7 hereof shall become applicable.

Section 6. *Dividends and Other Distributions.*

For greater certainty, except as permitted under the Credit Agreement, unless and until there shall have occurred and be continuing an Event of Default and, other than in the case of an Event of Default under Section 10.01(e) of the Credit Agreement, the Collateral Agent shall have given prior written notice of its intent to exercise such rights to the Pledgor, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the respective Pledgor, *provided*, that all cash dividends payable in respect of the Collateral which are reasonably determined by the Collateral Agent to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital shall be paid, to the extent so determined to represent an extraordinary, liquidating or other distribution in return of capital, to the Collateral Agent and retained by it as part of the Collateral. While this Agreement is in effect, the Collateral Agent shall be entitled to receive directly, and to retain as part of the Collateral:

(a) all other or additional shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights, notes, certificates, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above) paid or distributed by way of dividend or otherwise in respect of the Collateral;

(b) all other or additional shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights, notes, certificates, partnership interests, instruments or other securities or property (including, but not limited to, cash (although such cash may be paid directly to the respective Pledgor so long as no Event of Default then exists)) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, reorganization, combination of shares or similar rearrangement; and

(c) all other or additional shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights, notes, certificates, partnership interests, instruments or other securities or property (including, but not limited to, cash) which may be paid in respect of the Collateral by reason of any consolidation, merger, amalgamation, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Collateral Agent's right to receive the proceeds of the Collateral in any form in accordance with Section 3 hereof. All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this Section 6 or Section 7 hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

Section 7. *Remedies in Case of an Event of Default. (a)* If there shall have occurred and be continuing an Event of Default, then and in every such case, subject to the terms of the ABL/Term Intercreditor Agreement, the Collateral Agent shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Secured Debt Agreement or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Collateral Agent shall be entitled to exercise all the rights and remedies of a secured party under the PPSA and the UCC as in effect in any relevant jurisdiction and also shall be entitled, without limitation, to exercise the following rights, with each Pledgor hereby agreeing that the rights set forth in clauses (i), (ii), (iii), (iv) and (vi) below are commercially reasonable:

(i) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the respective Pledgor;

(ii) to transfer all or any part of the Collateral into the Collateral Agent's name or the name of its nominee or nominees;

(iii) to accelerate any Pledged Note which may be accelerated in accordance with its terms, and take any other lawful action to collect upon any Pledged Note (including, without limitation, to make any demand for payment thereon);

(iv) to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Collateral Agent) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Collateral Agent the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);

(v) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable, *provided* at least 10 days' written notice of the time and place of any such sale shall be given to the respective Pledgor. The Collateral Agent shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security or the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Collateral Agent on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. The Collateral Agent may also accept the Collateral in satisfaction of the Secured Obligations. Neither the Collateral Agent nor any other Secured Creditor shall be

liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(vi) to set off any and all Collateral against any and all Secured Obligations, and to withdraw any and all cash or other Collateral from any and all Collateral Accounts and to apply such cash and other Collateral to the payment of any and all Secured Obligations.

(b) It is understood and agreed that in respect of Collateral consisting of Uncertificated Securities and Partnership Interests subject of an agreement substantially in the form of Annex E and as described in Section 3(b)(i)(B), unless an Event of Default has occurred and is continuing, the Collateral Agent shall not deliver to the issuer of such Uncertificated Securities or Partnership Interests, as the case may be, a notice stating that the Collateral Agent is exercising exclusive control of such Uncertificated Securities or Partnership Interests, as the case may be, under, and as described in such respective agreement.

(c) The Collateral Agent may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral. The Collateral Agent may remove any receiver appointed by it and appoint another in its place, and may determine the remuneration of any receiver, which may be paid from the proceeds of the Collateral in priority to other Secured Obligations. Any receiver appointed by the Collateral Agent shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Collateral Agent under this Agreement, the PPSA or otherwise. Any receiver shall be deemed the agent of the Obligors and the Agent shall not be in any way responsible for any misconduct or negligence of any receiver.

Section 8. *Remedies, Cumulative, Etc.*

Each and every right, power and remedy of the Collateral Agent provided for in this Agreement or in any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and, subject to Section 12(c) hereof, shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Collateral Agent or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Collateral Agent or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Collateral Agent or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Collateral Agent, in each case, acting upon the instructions of the Required Secured Creditors, and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured

Creditors upon the terms of this Agreement and the Security Agreement.

Section 9. *Application of Proceeds.*

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all monies collected by the Collateral Agent upon any sale or other disposition of the Collateral as a result of the exercise of any remedies by the Collateral Agent after the occurrence and during the continuance of an Event of Default pursuant to the terms of this Agreement, together with all other monies received by the Collateral Agent hereunder, shall be applied in the manner provided in the Credit Agreement.

(b) It is understood and agreed that each Pledgor shall remain jointly and severally liable with respect to the Secured Obligations to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of the Secured Obligations.

Section 10. *Purchasers of Collateral.*

Upon any sale of the Collateral by the Collateral Agent hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Collateral Agent or the officer making such sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication or nonapplication thereof.

Section 11. *Indemnity and Payment of Expenses.*

The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

Section 12. *Collateral Agent Not A Partner or Limited Liability Company.*

(a) Nothing herein shall be construed to make the Collateral Agent or any other Secured Creditor liable as a member of any limited liability company or as a partner of any partnership and neither the Collateral Agent nor any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or as a partner in any partnership. The parties hereto expressly agree that, unless the Collateral Agent shall become the absolute owner of Collateral consisting of a Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Collateral Agent, any other Secured Creditor, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 12, the Collateral Agent, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Collateral Agent shall have only those

powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 12.

(c) The Collateral Agent and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Collateral Agent of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Collateral Agent or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

Section 13. *Further Assurances; Power-of-Attorney.*

(a) Each Pledgor agrees that it will join with the Collateral Agent in executing and, at such Pledgor's own expense, file and refile under the PPSA or other applicable law such financing statements, financing change statements, renewals and other documents, in form reasonably acceptable to the Collateral Agent, in such offices as the Collateral Agent (acting on its own or on the instructions of the Required Secured Creditors) may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Collateral Agent's security interest in the Collateral hereunder and hereby authorizes the Collateral Agent to file financing statements and amendments thereto relative to all or any part of the Collateral (including, without limitation, financing statements which list the Collateral specifically and/or as "all present and after-acquired personal property" without the signature of such Pledgor where permitted by law), and agrees to do such further acts and things and to execute and deliver to the Collateral Agent such additional conveyances, assignments, agreements and instruments as the Collateral Agent may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to further assure and confirm unto the Collateral Agent its rights, powers and remedies hereunder or thereunder. Each Pledgor waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law.

(b) Each Pledgor hereby constitutes and appoints the Collateral Agent its true and lawful attorney-in-fact, irrevocably, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance of an Event of Default and after giving any written prior notice required hereunder (if any) to the relevant Pledgor, in the Collateral Agent's discretion, to act, require, demand, receive and give acquittance for any and all monies and claims for monies due or to become due to such Pledgor under or arising out of the Collateral, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings and to execute any instrument which the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement to the fullest extent permitted by applicable law, which appointment as attorney is coupled with an interest.

Section 14. *The Collateral Agent as Collateral Agent.*

The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood, acknowledged and agreed by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Article 11 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Article 11 of the Credit Agreement.

Section 15. *Transfer by the Pledgors.*

Except as permitted (a) prior to the date all Secured Credit Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated, pursuant to the Credit Agreement, and (b) thereafter, pursuant to the other Secured Debt Agreements, no Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein.

Section 16. *Representations, Warranties and Covenants of the Pledgors.*

(a) Each Pledgor represents, warrants and, until the Termination Date, covenants as to itself and each of its Subsidiaries that:

(i) it is the legal, beneficial and (except as to Securities credited on the books of a Clearing House or a Securities Intermediary) record owner of, and has good and valid title to, all of its Collateral consisting of one or more Securities and Partnership Interests and that it has sufficient interest in all of its Collateral in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option or other encumbrance whatsoever, except the liens and security interests created by this Agreement or permitted under the Secured Debt Agreements);

(ii) it has full power, authority and legal right to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, subject to (A) the effects of bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law) and (B) as it relates to the pledge of any Stock of Foreign Subsidiaries of the Parent, the effects of the possible judicial application of foreign laws or foreign governmental or judicial action affecting creditors' rights;

(iv) other than any approval or consent that may be required from the board of

directors or shareholders of any Pledgor or any of its Subsidiaries pursuant to its constating documents, which has already been obtained and will be maintained in full force and effect during the term of this Agreement, except in the case of ULC Shares, no consent of any other party (including, without limitation, any shareholder, unitholder, stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no material consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (A) the execution, delivery or performance of this Agreement by such Pledgor, (B) the validity or enforceability of this Agreement against such Pledgor, (C) the filing of any financing statements, the perfection or enforceability of the Collateral Agent's security interest in such Pledgor's Collateral or (D) except for compliance with or as may be required by applicable securities laws, the exercise by the Collateral Agent of any of its rights or remedies provided herein, in each case, except as would not reasonable be expected to have a Material Adverse Effect;

(v) neither the execution, delivery or performance by such Pledgor of this Agreement, or any other Secured Debt Agreement to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, (A) will contravene any provision of any applicable law, statute, rule or regulation, or any applicable order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, applicable to such Pledgor, (B) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents and Permitted Liens) upon any of the properties or assets of any such Pledgor or any of its Subsidiaries pursuant to the terms of, any indenture, mortgage, debenture, hypothec, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which such Pledgor or any of its Subsidiaries is a party or by which it or any of its properties or assets is bound or to which it may be subject (except, in the case of preceding clauses (A) and (B), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect); or (C) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement, by-laws or partnership agreement (or equivalent organizational documents), as applicable, of such Pledgor or any of its Subsidiaries.

(vi) all of such Pledgor's Collateral (consisting of Securities and Partnership Interests issued by any Pledgor or any Subsidiary of any Pledgor) has been duly and validly issued, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii) each of such Pledgor's Pledged Notes issued by any Pledgor or any Subsidiary of any Pledgor constitutes, or when executed by the obligor thereof will constitute, the legal, valid and binding obligation of such obligor, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights

generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law);

(viii) the pledge, collateral assignment and delivery to the Collateral Agent of such Pledgor's Collateral consisting of Certificated Securities and Pledged Notes pursuant to this Agreement and the continued possession thereof by the Collateral Agent or an Affiliate creates a valid and perfected security interest in such Certificated Securities and Pledged Notes, and the proceeds thereof, having the priority specified in the ABL/Term Intercreditor Agreement, subject to no prior Lien or encumbrance or to any agreement purporting to grant to any third party a Lien or encumbrance on the property or assets of such Pledgor which would include the Securities (other than the liens and security interests permitted under the Secured Debt Agreements then in effect) and the Collateral Agent is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant law as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral; and

(ix) to the extent required by Section 3(b) hereof, the Pledgor shall have taken all steps in its control so that the Collateral Agent may obtain "control" within the meaning of the PPSA over all of such Pledgor's Collateral consisting of Securities (including, without limitation, Notes that are Securities) with respect to which such "control" may be obtained pursuant to the PPSA, except to the extent that the obligation of the applicable Pledgor to provide the Collateral Agent with "control" of such Collateral has not yet arisen under this Agreement.

(b) Each Pledgor covenants and agrees that it will defend the Collateral Agent's right, title and security interest in and to such Pledgor's Collateral (whether now owned or hereinafter acquired) and the proceeds thereof against the claims and demands of all persons whomsoever.

Section 17. *Pledgors' Obligations Absolute, Etc.* The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination of this Agreement pursuant to Section 19 hereof or, with respect to a specific Pledgor, release of such Pledgor pursuant to Section 30 hereof), including, without limitation:

(a) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from any Secured Debt Agreement (other than this Agreement in accordance with its terms), or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement (other than a waiver, consent or extension with respect to this Agreement in accordance with its terms);

(c) any furnishing of any additional security to the Collateral Agent or its assignee or any acceptance thereof or any release of any security by the Collateral Agent or its assignee;

(d) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

Section 18. *Sale of Collateral Without Qualification*

If the Collateral Agent determines to exercise its right to sell any or all of the Collateral consisting of Securities or Partnership Interests pursuant to Section 7 hereof, each Pledgor agrees that, upon request of the Collateral Agent, each Pledgor will, at its own expense, do or cause to be done all such other acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law. The Collateral Agent is not required to take steps to qualify, or cause to be qualified, any Securities or Partnership Interests forming part of the Collateral for public distribution or request the issuer to qualify them. The Collateral Agent need not dispose of any Securities or Partnership Interests by public distribution even if they are qualified for public distribution. The Collateral Agent may dispose of Securities or Partnership Interests by an exemption from the prospectus requirements of applicable securities legislation as it considers appropriate notwithstanding that doing so may require them to comply with limitations or restrictions relating to the exemption. The limitations or restrictions may include complying with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications (including being accredited investors, agreeing to pay a minimum price or demonstrating qualifications required to obtain any approval of the sale or resulting purchase that is required under applicable law), and restricting prospective bidders and purchasers to those who will represent and agree that they are purchasing as principal for their own account for investment and not with a view to distribution or resale. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until the registration as aforesaid.

Section 19. *Termination; Release.*

(a) On the Termination Date (as defined below), this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination) and the Collateral Agent, at the request and expense of such Pledgor, will execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement (including, without limitation, PPSA financing change statements or discharges and instruments of satisfaction, discharge and/or reconveyance), and will duly release from the security interest created hereby and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent or any of its sub-agents hereunder and as has

not theretofore been sold or otherwise applied or released pursuant to this Agreement, together with any moneys at the time held by the Collateral Agent or any of its sub-agents hereunder and, with respect to any Collateral consisting of an Uncertificated Security or a Partnership Interest (other than an Uncertificated Security or Partnership Interest credited on the books of a Clearing House or Securities Intermediary), a termination of the agreement relating thereto executed and delivered by the issuer of such Uncertificated Security pursuant to Section 3(b)(i)(B) or by the respective partnership pursuant to Section 3(b)(i)(C)(2). As used in this Agreement, "**Termination Date**" shall mean the date upon which the Commitments under the Credit Agreement have been terminated and all Secured Credit Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Revolving Loans and LC Disbursements thereunder have been repaid in full and all Letters of Credit have expired or otherwise terminated (excluding any contingent indemnity obligations not then asserted and Letters of Credit which have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent).

(b) In the event that any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) (x) at any time prior to the time at which all Secured Credit Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated and all Letters of Credit have expired or otherwise terminated , in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or a greater percentage of Lenders if required by Section 12.10 of the Credit Agreement) or (y) at any time thereafter, to the extent permitted by the other Secured Debt Agreements, the Collateral Agent, at the request and expense of such Pledgor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or released and as may be in the possession of the Collateral Agent (or, in the case of Collateral held by any sub-agent designated pursuant to Section 4 hereof, such sub-agent) and has not theretofore been released pursuant to this Agreement.

(c) At any time that any Pledgor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 19(a) or (b), such Pledgor shall deliver to the Collateral Agent (and the relevant sub-agent, if any, designated pursuant to Section 4 hereof) a certificate signed by a Responsible Officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to (a) or (b) hereof.

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 19.

Section 20. *Notices, Etc.*

(a) Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the

mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or any Pledgor shall not be effective until received by the Collateral Agent or such Pledgor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(i) if to any Pledgor, at its address set forth opposite its signature below;

(ii) if to the Collateral Agent, at:

Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
Attention: Gregory Kress
Senior Vice President
Telephone No.: (617) 346-1181
Telecopier No.: (312) 453-4396

(iii) if to any Lender Creditor, either (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement, or (y) at such address as such Lender Creditor shall have specified in the Credit Agreement; and

(iv) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Pledgors and the Collateral Agent;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

(v) Notices and other communications to the Collateral Agent hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Collateral Agent. The Collateral Agent or any Pledgor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Section 21. *Waiver; Amendment.*

Except as provided in Section 30 and 33 hereof, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in accordance with the requirements specified in the Security Agreement.

Section 22. *Successors and Assigns.*

This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 19 hereof, (ii) be binding upon each Pledgor, its successors and assigns; provided, however, that no

Pledgor shall assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Pledgor herein or in any certificate or other instrument delivered by such Pledgor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

Section 23. *Headings Descriptive.*

The headings of the several Sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 24. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL.*

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN. EACH PLEDGOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTE ARISING FROM OR IN RELATION TO THIS AGREEMENT AND EACH PLEDGOR IRREVOCABLY AND UNCONDITIONALLY ATTORNS TO THE EXCLUSIVE JURISDICTION OF THAT PROVINCE. EACH PLEDGOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO ARE THE MOST APPROPRIATE AND CONVENIENT FORUM TO SETTLE DISPUTES AND AGREES NOT TO ARGUE TO THE CONTRARY. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 20 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF

THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 25. *Pledgor's Duties.*

It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Pledgor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, except for the safekeeping of Collateral actually in Pledgor's possession, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Pledgor under or with respect to any Collateral.

Section 26. *Counterparts.*

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each Pledgor and the Collateral Agent. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

Section 27. *Severability.*

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 28. *Recourse.*

This Agreement is made with full recourse to each Pledgor and pursuant to and upon all the representations, warranties, covenants and agreements on the part of such Pledgor contained herein and in the other Secured Debt Agreements and otherwise in writing in connection herewith or

therewith.

Section 29. *Limited Obligations.*

It is the desire and intent of each Pledgor and the Secured Creditors that this Agreement shall be enforced against each Pledgor to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. Notwithstanding anything to the contrary contained herein, in furtherance of the foregoing, it is noted that the obligations of each Pledgor constituting a Guarantor have been limited as provided in the ABL Guaranty.

Section 30. *Release of Pledgors.*

If at any time all of the Equity Interests of any Pledgor owned by the Parent or any of its Subsidiaries are sold (to a Person other than a Credit Party) in a transaction permitted pursuant to the Credit Agreement (and which does not violate the terms of any other Secured Debt Agreement then in effect), then, such Pledgor shall be released as a Pledgor pursuant to this Agreement without any further action hereunder (it being understood that the sale of all of the Equity Interests in any Person that owns, directly or indirectly, all of the Equity Interests in any Pledgor shall be deemed to be a sale of all of the Equity Interests in such Pledgor for purposes of this Section), and the Collateral Agent is authorized and directed to execute and deliver such instruments of release as are reasonably satisfactory to it. At any time that the Parent desires that a Pledgor be released from this Agreement as provided in this Section 30, the Parent shall deliver to the Collateral Agent a certificate signed by a Responsible Officer of the Borrower stating that the release of such Pledgor is permitted pursuant to this Section 30.

Section 31. *Amalgamation, Merger.*

If any Pledgor amalgamates or merges with one or more other entities, the Obligations and the security interest granted to the Collateral Agent pursuant to this Agreement shall continue as to the Obligations and the Collateral of such Grantor at the time of amalgamation or merger, and shall extend to the Obligations and the present and future Collateral of the amalgamated or merged entity, and the term Grantor shall extend to the amalgamated or merged entity, all as if the amalgamated or merged entity had executed this Agreement as such Grantor.

Section 32. *Limitation Periods.*

To the extent that any limitation period applies to any claim for payment of the Secured Obligations or remedy for enforcement of the Secured Obligations, each Pledgor agrees that: (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law; (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law; (c) any applicable limitation period shall not begin before an express demand for payment of the Secured Obligations is made in writing by the Collateral Agent to the Pledgors; (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Secured Obligations by the Credit Parties; and (e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies.

Section 33. *ABL/Term Intercreditor Agreement.*

This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Collateral Agent (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement. Prior to the Discharge of Fixed Asset Obligations (as defined in the ABL/Term Intercreditor Agreement), the delivery or granting of "control" (as defined in the UCC) of any Fixed Asset Collateral (as defined in the ABL/Term Intercreditor Agreement) to the collateral agent under the Term Loan Credit Agreement pursuant to the terms of the Fixed Asset Collateral Documents (as defined in the ABL/Term Intercreditor Agreement) shall satisfy any such delivery or granting of "control" requirement hereunder or under any other Credit Document with respect to any Fixed Asset Collateral to the extent that such delivery or granting of "control" is consistent with the terms of the ABL/Term Intercreditor Agreement.

Section 34. *ULC Provisions.*

Notwithstanding any provisions to the contrary contained in this Agreement, any other Credit Document or any other document or agreement to which any party to this Agreement is also party, each Pledgor is the sole registered and beneficial owner of the Securities and other Equity Interests (collectively, the "**ULC Shares**") of each unlimited company, unlimited liability company or unlimited liability corporation incorporated or otherwise existing under the laws of any province of Canada or under the federal laws of Canada, or any other entity whose members or shareholders have liability comparable to that of members or shareholders of any of those entities (each, a "**ULC**") that is from time to time a Subsidiary. Each Pledgor will remain so until the ULC Shares are, with the prior written consent of the Collateral Agent (which has not been revoked) and in the course of realization of the liens under this Agreement, transferred on the books and records of the applicable issuer into the name of the Collateral Agent, its nominee or a purchaser designated by the Collateral Agent. Accordingly, each Pledgor shall be entitled to receive and retain for its own account any dividend, distribution, payment or other proceeds in respect of the ULC Shares (except insofar as such Pledgor has granted a security interest in the dividend or other distribution in favour of the Collateral Agent under this Agreement, in which case the other terms of the security interest will apply) and shall have the right to vote the ULC Shares and to control the direction, management and policies of the applicable issuer to the same extent as such Pledgor would if the ULC Shares were not pledged to the Collateral Agent. Nothing in this Agreement or any other Credit Document is intended to or shall constitute the Collateral Agent or any Person other than the Pledgors, a

shareholder or member of any issuer of ULC Shares for the purposes of the *Business Corporations Act* (Alberta), the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia) or any other applicable legislation governing the formation of a ULC ("**ULC Legislation**") until such time as the ULC Shares are transferred in the course of realization as described above. To the extent any provision of this Agreement would have the effect of constituting the Collateral Agent or any Person other than the Pledgors as a shareholder or member of any ULC that is from time to time an issuer for the purposes of the ULC Legislation before then, the provision shall be deemed not to apply to the ULC Shares or that ULC, as the case may be, and shall be ineffective without otherwise invalidating or rendering this Agreement unenforceable or invalidating or rendering the provision in question unenforceable insofar as it relates to property that is not the ULC Shares. Notwithstanding anything else in this Agreement, except upon the exercise of rights to sell or otherwise dispose of the ULC Shares following the occurrence of an Event of Default, the Pledgors shall not cause, permit or enable any issuer of ULC Shares to cause, permit, or enable, the Collateral Agent to:

(a) be registered as a shareholder of the issuer;

(b) have any notation entered in its favour in the share register or other books and records of a ULC in respect of the ULC Shares;

(c) act or purport to act as a shareholder of the issuer, or obtain, exercise or attempt to exercise any rights of a shareholder of the issuer, including the right to attend a meeting of the issuer, or to vote the ULC Shares;

(d) be held out as shareholder or member of the issuer; or

(e) receive, directly or indirectly, any dividends, property or other distributions from the issuer by reason of the Collateral Agent holding a security interest in the ULC Shares.

The limitations in this Section shall not restrict the Collateral Agent from (i) exercising the rights to sell or otherwise dispose of ULC Shares that it is entitled to exercise under this Agreement or (ii) having the ULC Shares registered in its name, in either case at any time that the Collateral Agent is entitled to realize on all or any portion of the ULC Shares pursuant to this Agreement and, in either case, provided that the Collateral Agent has (x) given notice to the applicable Pledgor of its intention to realize upon those ULC Shares (including by selling or disposing of or re-registering those ULC Shares) and (y) consented in writing to any change in registration and not revoked its consent.

* * * *

IN WITNESS WHEREOF, each Pledgor and the Collateral Agent have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

By: __
Name:
Title:

KBAU HOLDINGS CANADA, INC.

By: __
Name:
Title:

BAUER HOCKEY CORP.

By: __
Name:
Title:

BPS GREENLAND CORP.

By: __
Name:
Title:

BPS DIAMOND SPORTS CORP.

By: __
Name:
Title:

BAUER PERFORMANCE LACROSSE CORP.

By: __
Name:
Title:

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

By: __
Name:
Title:

8848076 CANADA CORP.

By: __
Name:
Title:

Address: 100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and
General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

Accepted and Agreed to:
BANK OF AMERICA, N.A
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
ABL CANADIAN PLEDGE AGREEMENT

SCHEDULE OF SUBSIDIARIES

Entity	Ownership	Jurisdiction of Organization	Direct Owner

ANNEX B
to
ABL CANADIAN PLEDGE AGREEMENT

SCHEDULE OF STOCK

1.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	**[Sub-clause of Section 3.2(a)]** of ABL Canadian Pledge Agreement

2.

Name of Issuing Corporation	Type of Shares	Number of Shares	Certificate No.	Percentage Owned	**[Sub-clause of Section 3.2(a)]** of ABL Canadian Pledge Agreement

ANNEX C
to
ABL CANADIAN PLEDGE AGREEMENT

SCHEDULE OF NOTES

ANNEX D
to
ABL CANADIAN PLEDGE AGREEMENT

SCHEDULE OF PARTNERSHIP INTERESTS

ANNEX E
to
ABL CANADIAN PLEDGE AGREEMENT

Form of Issuer Control Agreement

THIS ISSUER CONTROL AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "**Agreement**"), dated as of [_____ __, 20_], among the undersigned pledgor (the " **Pledgor**"), [_____], not in its individual capacity but solely as Collateral Agent (the "**Collateral Agent**"), and [_____] as the issuer of the Uncertificated Securities and/or Partnership Interests (each as defined below) (the "**Issuer**").

W I T N E S S E T H :

WHEREAS, the Pledgor, certain of its affiliates and the Collateral Agent have entered into an ABL Canadian Pledge Agreement, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "**ABL Canadian Pledge Agreement**"), under which, among other things, in order to secure the payment of the Secured Obligations (as defined in the ABL Canadian Pledge Agreement), the Pledgor has or will pledge to the Collateral Agent for the benefit of the Secured Creditors (as defined in the ABL Canadian Pledge Agreement), and grant a security interest in favour of the Collateral Agent for the benefit of the Secured Creditors in, all of the right, title and interest of the Pledgor in and to certain ["**uncertificated securities**" (as defined in the *Personal Property Security Act* (Ontario)) ("**Uncertificated Securities**")] [Partnership Interests (as defined in the ABL Canadian Pledge Agreement)], from time to time issued by the Issuer, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such [Uncertificated Securities] [Partnership Interests] being herein collectively called the "**Issuer Pledged Interests**"); and

WHEREAS, the Pledgor desires the Issuer to enter into this Agreement in order to perfect the security interest of the Collateral Agent under the ABL Canadian Pledge Agreement in the Issuer Pledged Interests, to vest in the Collateral Agent control of the Issuer Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1 . The Pledgor hereby irrevocably authorizes and directs the Issuer, and the Issuer hereby agrees, to comply with any and all instructions and orders originated by the Collateral Agent (and its successors and assigns) regarding any and all of the Issuer Pledged Interests without the further consent by the registered owner (including the Pledgor), and, following its receipt of a notice from the Collateral Agent stating that the Collateral Agent is exercising exclusive control of the Issuer Pledged Interests, not to comply with any instructions or orders regarding any or all of the Issuer Pledged Interests originated by any person or entity other than the Collateral Agent (and its successors and assigns) or a court of competent jurisdiction.

2. The Issuer hereby certifies that (i) no notice of any security interest, lien or other encumbrance or claim affecting the Issuer Pledged Interests (other than the Permitted Liens) has been received by it, (ii) the security interest of the Collateral Agent in the Issuer Pledged Interests has been registered in the books and records of the Issuer and (iii) it has not entered into any other agreement establishing control (as defined in the *Securities Transfer Act, 2006* (Ontario) (the "**STA**")) in relation to the Issuer Pledged Interests.

3. The Issuer hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Issuer Pledged Interests to the Collateral Agent, for the benefit of the Secured Creditors, does not violate the charter, articles, by-laws, partnership agreement, membership agreement or any other agreement governing the Issuer or the Issuer Pledged Interests, and (ii) the Issuer Pledged Interests consisting of capital stock of a corporation are fully paid and nonassessable.

4. All notices, statements of accounts, reports, prospectuses, financial statements and other communications to be sent to the Pledgor by the Issuer in respect of the Issuer will also be sent to the Collateral Agent at the following address:

Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
Attention: Gregory Kress
Senior Vice President
Telephone No.: (617) 346-1181
Telecopier No.: (312) 453-4396

5. Following its receipt of a notice from the Collateral Agent stating that the Collateral Agent is exercising exclusive control of the Issuer Pledged Interests and until the Collateral Agent shall have delivered written notice to the Issuer that the Termination Date has occurred and this Agreement is terminated, the Issuer will send any and all redemptions, distributions, interest or other payments in respect of the Issuer Pledged Interests from the Issuer for the account of the Collateral Agent only by wire transfers to such account as the Collateral Agent shall instruct.

6. Except as expressly provided otherwise in Sections 4 and 5 hereof, all notices, instructions, orders and communications hereunder shall be sent or delivered by mail, telegraph, telex, telecopy, cable or overnight courier service and all such notices and communications shall, when mailed, telexed, telecopied, cabled or sent by overnight courier, be effective when deposited in the mails or delivered to overnight courier, prepaid and properly addressed for delivery on such or the next Business Day, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or the Issuer shall not be effective until received. All notices and other communications shall be in writing and addressed as follows:

(i) if to the Pledgor, at:

[_____]
[_____]
[_____]
Attention: [_____]
Telephone No.: [_____]
Telecopier No.: [_____]

(ii) if to the Collateral Agent, at the address given in Section 4 hereof;

(iii) if to the Issuer, at

_____
_____
_____

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder. As used in this Section 6, "**Business Day**" means any day other than a Saturday, Sunday, or other day in which banks in Toronto, Ontario are authorized to remain closed.

7. This Agreement shall be binding upon the successors and assigns of the Pledgor and the Issuer and shall inure to the benefit of and be enforceable by the Collateral Agent and its successors and permitted assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing signed by the Collateral Agent, the Issuer and the Pledgor.

8. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its principles of conflict of laws. Each of the parties hereto hereby irrevocably attorns to, and submits to the non-exclusive jurisdiction of, the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

9. This Agreement is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Credit Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of the ABL/Term Intercreditor Agreement shall govern.

IN WITNESS WHEREOF, the Pledgor, the Collateral Agent and the Issuer have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[_____], as Pledgor

By: _____
Name:
Title:

BANK OF AMERICA, N.A., not in its individual capacity but solely as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[[_____], as the Issuer]

By: _____
Name:
Title:

EXHIBIT G-1

FORM OF U.S. SECURITY AGREEMENT

[See Attached.]

EXECUTION VERSION

ABL SECURITY AGREEMENT

among

CERTAIN SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.
and

BANK OF AMERICA, N.A.,

as COLLATERAL AGENT

_____

Dated as of April 15, 2014

_____

TABLE OF CONTENTS

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of April 15, 2014 made by each of the undersigned grantors (each, a " Grantor" and, together with any other entity that becomes a grantor hereunder pursuant to Section 9.12 hereof, the "Grantors") in favor of Bank of America, N.A., as Collateral Agent (together with any successor Collateral Agent, the "Collateral Agent"), for the benefit of the Secured Creditors (as defined below). Certain capitalized terms as used herein are defined in Article IX hereof. Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Bauer Performance Sports Ltd. (the " Parent"), Bauer Hockey Corp. and Bauer Hockey Inc. (each, a " Lead Borrower" and, collectively, the " Lead Borrowers"), each of the other borrowers party thereto (each, a " Subsidiary Borrower" and, together with the Lead Borrowers, the "Borrowers"), the lenders party thereto from time to time (the " Lenders"), Bank of America, N.A., as administrative agent and collateral agent (together with any successor administrative agent or collateral agent, the "Administrative Agent") have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making of Revolving Loans to the Borrowers and the issuance of Letters of Credit on behalf of the Parent and the Borrowers as contemplated therein (the Lenders, the Issuing Banks, the Administrative Agent, the Collateral Agent and each other Agent are herein called the "Lender Creditors");

WHEREAS, the Parent or any other Credit Party may at any time and from time to time enter into one or more Secured Bank Product Obligations with Secured Bank Product Providers (collectively, the "Other Creditors" and, together with the Lender Creditors, the "Secured Creditors");

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations;

WHEREAS, it is a condition precedent to the making of Revolving Loans to the Borrowers and the issuance of Letters of Credit on behalf of the Parent and the Borrowers under the Credit Agreement that each Grantor shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each Grantor will obtain benefits from the incurrence of Revolving Loans by and the issuance of Letters of Credit on behalf of the Parent and the Borrowers under the Credit Agreement and the entering into by the Parent or any other Credit Party of Secured Bank Product Obligations with the Other Creditors and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph;

NOW, THEREFORE, in consideration of the benefits accruing to each Grantor, the

receipt and sufficiency of which are hereby acknowledged, each Grantor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

ARTICLE I

SECURITY INTERESTS

1.1 Grant of Security Interests .

(a) As security for the prompt and complete payment or performance, as the case may be, when due of all of the Obligations, each Grantor does hereby pledge and grant to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest in all of the right, title and interest of such Grantor in, to and under all of the following personal property and fixtures (and all rights therein) of such Grantor, or in which or to which such Grantor has any rights, in each case whether now existing or hereafter from time to time acquired (but excluding any Excluded Collateral (as defined below)):

(i) each and every Account;

(ii) all cash;

(iii) the Cash Collateral Account and all monies, securities, Instruments and other investments deposited or required to be deposited in the Cash Collateral Account;

(iv) all Chattel Paper (including, without limitation, all Tangible Chattel Paper and all Electronic Chattel Paper);

(v) all Commercial Tort Claims set forth on Annex H hereto or for which notice is required to be provided pursuant to 3.10 below;

(vi) Contracts, together with all Contract Rights arising thereunder;

(vii) all Equipment and Fixtures;

(viii) all Deposit Accounts and all other demand, deposit, time, savings, cash management, passbook and similar accounts maintained by such Grantor with any Person and all monies, securities, Instruments and other investments deposited or required to be deposited in any of the foregoing;

(ix) all Documents;

(x) all General Intangibles;

(xi) all Goods;

(xii) all Instruments;

(xiii) all Intellectual Property;

(xiv) all Inventory;

(xv) all Investment Property,

(xvi) all Letter-of-Credit Rights (whether or not the respective letter of credit is evidenced by a writing);

(xvii) all Patents;

(xviii) all Permits;

(xix) all Supporting Obligations; and

(xx) all Proceeds and products of any and all of the foregoing (all of the above, the " Collateral").

(b) The security interest of the Collateral Agent under this Agreement extends to all Collateral that any Grantor may acquire, or with respect to which any Grantor may obtain rights, at any time during the term of this Agreement.

1.2 Certain Exceptions. Notwithstanding Section 1.1, no security interest is or will be granted pursuant hereto in any right, title or interest of any Grantor under or in (each of (a) through (o) collectively, the "Excluded Collateral"):

(a) any leases, licenses, Instruments, Contracts, Chattel Paper, General Intangibles, Permits, governmental licenses, state or local franchises, charters or authorizations or other contracts or agreements with or issued by Persons other than the Borrower or Subsidiaries of the Borrower or an Affiliate thereof (collectively, "Excluded Agreements") that would otherwise be included in the Collateral (and such Excluded Agreements shall not be deemed to constitute a part of the Collateral) for so long as, and to the extent that, the granting of such a security interest pursuant hereto would invalidate or result in a violation, breach, default or termination of such Excluded Agreements or create a right of termination in favor of, or require the consent of, any party thereto (in each case other than the Borrower or a Subsidiary Guarantor) (in each case, except to the extent any such violation, breach, default, termination, right or consent would be rendered ineffective under the UCC or other applicable law); provided, however, that a security interest in an Excluded Agreement in favor of the Secured Creditors shall attach immediately (i) at such time as Grantor's grant of a security interest in such Excluded Agreement no longer results in a violation, breach, default or termination thereof or thereunder or no longer creates such right of termination or such right has been waived or requires such consent or such consent has been obtained, (ii) to the extent severable, to any portion of such Excluded Agreement that does not result in a respective violation, breach, default, termination or right or consent thereof or thereunder and (iii) to any proceeds or receivables of such Excluded Agreement that are not Excluded Collateral; or

(b) Equity Interests in any CFC or FSHCO, in each case, in excess of 65% of the total outstanding Voting Equity Interests of such CFC or FSHCO, as applicable, that is directly owned by such Grantor;

(c) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law;

(d) any rights or property to the extent that any valid and enforceable law or regulation applicable to such rights or property prohibits the creation of a security interest therein, except to the extent such prohibition is unenforceable after giving effect to the applicable provisions of the UCC or other applicable law;

(e) those assets located outside of the United States and Canada (solely to the extent action would be required in such other jurisdictions to obtain such security interests);

(f) those assets as to which the Administrative Agent and the Lead Borrower reasonably agree in a writing to the Collateral Agent that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby;

(g) those assets as to which the grant of a security interest or Lien therein in favor of the Secured Creditors could reasonably be expected to result in material adverse tax consequences (including, without limitation, as a result of the operation of Section 956 of the Code or any similar law or regulation in any applicable jurisdiction), as reasonably determined in good faith by the Borrower;

(h) (a) any fee-owned real property with a fair market value less than $5,000,000 and (b) all leasehold interests in real property;

(i) any Equity Interests in (i) a joint venture or other non-Wholly-Owned Subsidiary to the extent that granting a security interest in or Lien on such Equity Interests is not permitted by the governing documents of such joint venture or other non-Wholly-Owned Subsidiary or would require the consent of any Person who owns Equity Interests in such joint venture or non-Wholly-Owned Subsidiary which (other than any Grantor or its Subsidiaries) consent has not been obtained, (ii) Subsidiaries that are not directly owned by a Grantor, and (iii) Unrestricted Subsidiaries;

(j) any margin stock;

(k) any Vehicles and other assets subject to certificates of title (other than to the extent such rights can be perfected by the filing of a financing statement under the UCC);

(l) any Letter-of-Credit Rights with a face value of less than $100,000 (other than to the extent that the security interest of the Collateral Agent therein is perfected by the filing of financing statements under the UCC);

(m) cash that secures any letters of credit outstanding and permitted to be outstanding and secured pursuant to the terms of the Credit Agreement;

(n) any Commercial Tort Claims with a value of less than $100,000; and

(o) any of the following:

(1) any property that would otherwise be included in the Collateral (and such property shall not be deemed to constitute a part of the Collateral) if such property has been sold or otherwise transferred in connection with a sale-leaseback transaction permitted under Section 9.02(k) of the Credit Agreement, or is subject to any Liens permitted under Section 9.01(g) of the Credit Agreement, or constitutes the Proceeds or products of any property that has been so sold or otherwise transferred, in each case in accordance with the terms of the Credit Agreement, so long as such Proceeds or products remain subject to the Liens referenced above in this clause (1); and

(2) any property or asset that would otherwise be included in the Collateral (and such property or asset shall not be deemed to constitute a part of the Collateral) if such property or assets is subject to a Lien permitted by Section 9.01(n) of the Credit Agreement;

in each case pursuant to preceding clauses (o)(1) through (2), for so long as, and to the extent that, the granting or existence of such a security interest pursuant hereto would result in a breach, default or termination of any agreement relating to the respective Lien or obligations secured thereby (in each case, except to the extent any such breach, default or termination would be rendered ineffective under the UCC or other applicable law); provided that immediately upon repayment of the Indebtedness and/or other monetary obligation secured by a Lien referenced in clauses (o)(1) through (2), the relevant Grantor shall be deemed to have granted a security interest in all of its rights, title and interests under or in such asset, Equipment or other property that is the subject of such Lien;

provided, however, that Excluded Collateral shall not include any Proceeds, substitutions or replacements of any Excluded Collateral referred to in any of clauses (a) through (o) (unless such Proceeds, substitutions or replacements would constitute Excluded Collateral referred to in any of clauses (a) through (o)).

1.3 Power of Attorney. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of such Grantor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to such Grantor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be reasonably necessary or advisable to protect the interests of the Secured Creditors, which appointment as attorney is coupled with an interest.

ARTICLE II

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Grantor represents and warrants as of the date hereof, and, until the Termination Date, covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1 Necessary Perfection Action. The security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral for the benefit of the Collateral Agent and the Secured Creditors is a valid security interest and Lien upon such Grantor's right, title and interest in and to the Collateral. Upon (A) the filing of the UCC financing statements delivered to the Collateral Agent for filing in the appropriate jurisdictions set forth on Annex C, (B) the recordation of Annexes K - M in the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as the case may be, and (C) the receipt by the Collateral Agent of all instruments, chattel paper and certificated pledged Equity Interests constituting Collateral in suitable form for transfer by delivery or accompanied by instruments of transfer or assignment duly executed in blank, such security interest and Lien shall be perfected in all of the Collateral in which a security interest may be perfected by filing, recording or registering a UCC financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the UCC or other applicable law in such jurisdictions and in which a security interest may be perfected upon the receipt and recording of this Agreement (or a short form hereof) with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office as the case may be; provided, however, that additional filings may be necessary to perfect the Collateral Agent's security interest in, and Lien on, any Recordable Intellectual Property acquired after the date hereof.

Upon the actions taken under this Section 2.1, such security interest will be superior to and prior to all other Liens of all other Persons (other than Permitted Liens), and, subject to the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement, enforceable as such as against all other Persons (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) other than Ordinary Course Transferees.

2.2 No Liens. Such Grantor is, and as to all Collateral acquired by it from time to time after the date hereof will be, the owner of, or otherwise have the right to use, all Collateral free from any Lien of any Person (other than Permitted Liens), and such Grantor shall, at its own expense, take all commercially reasonable actions necessary to defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein materially adverse to the Collateral Agent.

2.3 Other Financing Statements. As of the date hereof, no Grantor has filed, nor authorized the filing by any third party of any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than financing statements filed in respect of Permitted Liens), and so

long as the Termination Date has not occurred, such Grantor will not authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Grantor or in connection with Permitted Liens.

2.4 Chief Executive Office, Record Locations. The chief executive office of such Grantor is, on the date of this Agreement, located at the address indicated on Annex A hereto for such Grantor. During the period of the four calendar months preceding the date of this Agreement, the chief executive office of such Grantor has not been located at any address other than that indicated on Annex A in accordance with the immediately preceding sentence, in each case unless each such other address is also indicated on Annex A hereto for such Grantor.

2.5 Location of Inventory and Equipment. All Inventory and Equipment (having a fair market value in excess of $1,000,000 with respect to Collateral comprising Equipment only) held on the date hereof, or held at any time during the four calendar months prior to the date hereof, by each Grantor, other than Inventory in transit or Equipment moved in the ordinary course of business, is located at one of the locations shown on Annex B hereto for such Grantor.

2.6 Legal Names; Type of Organization (and Whether a Registered Organization); Jurisdiction of Organization; Location; Organizational Identification Numbers; Federal Employer Identification Number; Changes Thereto; etc. As of the Closing Date, the exact legal name of each Grantor, the type of organization of such Grantor, whether or not such Grantor is a Registered Organization, the jurisdiction of organization of such Grantor, such Grantor's Location, the organizational identification number (if any) of such Grantor and the Federal Employer Identification Number of such Grantor (if any), is listed on Annex C hereto for such Grantor. Such Grantor shall not change its legal name, its type of organization, its status as a Registered Organization (in the case of a Registered Organization), its jurisdiction of organization, its Location, its organizational identification number (if any) or its Federal Employer Identification Number (if any) from that used on Annex C hereto, except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve (x) a Registered Organization ceasing to constitute same or (y) such Grantor changing its jurisdiction of organization or Location from the United States or a State thereof to a jurisdiction of organization or Location, as the case may be, outside the United States or a State thereof) if (i) it shall have given to the Collateral Agent written notice of each change to the information listed on Annex C (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex C which shall update all information contained therein for such Grantor within five (5) Business Days of such change (or such longer period as agreed to by the Collateral Agent) and (ii) in connection with such change or changes, it shall take all action reasonably requested by the Collateral Agent to maintain the security interests of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected to the extent described in Section 2.1 and in full force and effect. In addition, to the extent that such Grantor does not have an organizational identification number on the date hereof and later obtains one, such Grantor shall promptly thereafter notify the Collateral Agent of such organizational identification number and shall take all actions reasonably satisfactory to the Collateral Agent to

the extent necessary to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby fully perfected to the extent described in Section 2.1 and in full force and effect.

2.7 Trade Names; Etc. Such Grantor has not and does not operate in any jurisdiction under, or in the preceding five (5) years has not operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name as specified in Annex C and such other trade or fictitious names as are listed on Annex D hereto for such Grantor.

2.8 Certain Significant Transactions. During the one year period preceding the date of this Agreement, no Person shall have merged or consolidated with or into any Grantor, and no Person shall have liquidated into, or transferred all or substantially all of its assets to, any Grantor, in each case except the mergers and consolidations contemplated by the Transaction and the mergers and consolidations described in Annex E hereto. With respect to any transactions so described in Annex E hereto, the respective Grantor shall have furnished such information with respect to the Person (and the assets of the Person and locations thereof) which merged with or into or consolidated with such Grantor, or was liquidated into or transferred all or substantially all of its assets to such Grantor, and shall have furnished to the Collateral Agent such UCC lien searches as may have been reasonably requested with respect to such Person and its assets, to establish that no security interest (excluding Permitted Liens) continues perfected on the date hereof with respect to any Person described above (or the assets transferred to the respective Grantor by such Person), including without limitation pursuant to Section 9-316(a)(3) of the UCC.

2.9 As-Extracted Collateral; Timber-to-be-Cut. On the date hereof, such Grantor does not own, or expect to acquire, any property which constitutes, or would constitute, As-Extracted Collateral or Timber-to-be-Cut. If at any time after the date of this Agreement such Grantor owns, acquires or obtains rights to any As-Extracted Collateral or Timber-to-be-Cut, such Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the Credit Agreement furnish the Collateral Agent with written notice thereof (which notice shall describe in reasonable detail the As-Extracted Collateral and/or Timber-to-be-Cut and the locations thereof) and shall take all actions as may be deemed reasonably necessary or desirable by the Collateral Agent to perfect the security interest of the Collateral Agent therein.

2.10 Collateral in the Possession of a Bailee. If any Inventory or other Goods, the aggregate fair market value of which is equal to or greater than $1,000,000, are at any time in the possession of a bailee, such Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the Credit Agreement furnish the Collateral Agent with written notice thereof and, if requested by the Collateral Agent after an Event of Default has occurred and is continuing, shall use its reasonable efforts to promptly obtain an acknowledgment from such bailee, in form and substance reasonably satisfactory to the Collateral Agent, that the bailee holds such Collateral for the benefit of the Collateral Agent and shall act upon the instructions of the Collateral Agent, without the further consent of such Grantor, subject to the ABL/Term Intercreditor Agreement. The Collateral Agent agrees with such Grantor that the Collateral Agent shall not give any such instructions unless an Event of Default has occurred and is continuing and upon notice from the Collateral Agent of its intent to exercise remedies.

2.11 Recourse. This Agreement is made with full recourse to each Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Grantor contained herein, in the Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

ARTICLE III

SPECIAL PROVISIONS CONCERNING ACCOUNTS; CONTRACT RIGHTS; INSTRUMENTS; CHATTEL PAPER AND CERTAIN OTHER COLLATERAL

3 . 1 Maintenance of Records. Each Grantor will keep and maintain proper books and records of its Accounts and Contracts, in which full, true and correct entries in conformity with generally accepted accounting principles and all Requirements of Law shall be made of all such Accounts and Contracts, and such Grantor will make the same available on such Grantor's premises to officers and designated representatives of the Collateral Agent for inspection in accordance with the terms and conditions set forth in the Credit Agreement. Upon the occurrence and during the continuance of an Event of Default and at the request of the Collateral Agent, such Grantor shall, at its own cost and expense, deliver all tangible evidence of its Accounts and Contract Rights (including, without limitation, all documents evidencing the Accounts and all Contracts) and such books and records to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Grantor). Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and if the Collateral Agent so requests, such Grantor shall legend, in form and manner satisfactory to the Collateral Agent, the Accounts and the Contracts, as well as books, records and documents (if any) of such Grantor evidencing or pertaining to such Accounts and Contracts with an appropriate reference to the fact that such Accounts and Contracts have been assigned to the Collateral Agent and that the Collateral Agent has a security interest therein.

3 . 2 Direction to Account Debtors; Contracting Parties; etc. Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, after giving notice to the relevant Grantor of its intent to do so, if the Collateral Agent so directs any Grantor, such Grantor agrees (i) to cause all payments on account of the Accounts and Contracts to be made directly to the Cash Collateral Account, (ii) that the Collateral Agent may, at its option, directly notify the obligors in its own name or in the name of others with respect to any Accounts and/or under any Contracts to make payments with respect thereto as provided in the preceding clause (i), and (iii) that the Collateral Agent may enforce collection of any such Accounts and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Grantor; provided that, (x) any failure by the Collateral Agent to give or any delay in giving such notice to the relevant Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing. Subject to the terms of the ABL/Term Intercreditor Agreement, without notice to or assent by any Grantor, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account toward the payment of

the Obligations in the manner provided in Section 6.4 of this Agreement. The reasonable costs and expenses of collection (including reasonable attorneys' fees), whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor. The Collateral Agent shall deliver a copy of each notice referred to in the preceding clause (y) to the relevant Grantor, provided that (x) the failure by the Collateral Agent to so notify such Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing.

3.3 Modification of Terms; etc. Except in accordance with such Grantor's ordinary course of business and consistent with reasonable business judgment, or as permitted by Section 3.4 hereof or by the Credit Documents, no Grantor shall rescind or cancel any indebtedness evidenced by any Account, or modify any material term thereof or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Account, or interest therein, without the prior written consent of the Collateral Agent unless such rescissions, cancellations, modifications, adjustments, extensions, renewals, compromises, settlements, releases, or sales would not reasonably be expected to materially adversely affect the value of the Accounts constituting Collateral taken as a whole. Except as otherwise permitted by the Credit Documents, no Grantor will do anything to impair the rights of the Collateral Agent in the Accounts or Contracts.

3.4 Collection. Each Grantor shall endeavor in accordance with historical business practices to cause to be collected from the Account Debtor named in each of its Accounts or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account or under such Contract. Except as otherwise directed by the Collateral Agent after the occurrence and during the continuation of an Event of Default or otherwise required pursuant to the Credit Agreement, any Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Accounts and Contracts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Grantor finds appropriate in accordance with reasonable business judgment, (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Grantor finds appropriate in accordance with reasonable business judgment and (iii) any other adjustments necessary or desirable in the Grantor's reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor.

3.5 Instruments. If any Grantor at any time holds or acquires any Instrument constituting Collateral with a face value in excess of $100,000 individually (other than checks and other payment instruments received and collected in the ordinary course of business and promptly deposited into a Deposit Account), such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following such acquisition, notify the Collateral Agent thereof, and upon request by the Collateral Agent (subject to the ABL/Term

Intercreditor Agreement), promptly deliver such Instrument to the Collateral Agent appropriately endorsed in blank or to the order of the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Instrument received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Instruments in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Instruments pursuant to the terms hereof, upon request of the Collateral Agent, such Instrument shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3.6 Grantors Remain Liable Under Accounts. Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Accounts to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Accounts. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3.7 Grantors Remain Liable Under Contracts. Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Contracts to observe and perform all of the conditions and obligations to be observed and performed by them thereunder, all in accordance with and pursuant to the terms and provisions of each Contract. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Contract by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3.8 Collection Accounts; Etc.

(a) Annex F hereto accurately sets forth, as of the date of this Agreement, for each Grantor, each Collection Account maintained by such Grantor (including a description thereof and the respective account number), the name of the respective bank with which such Collection Account is maintained, and the jurisdiction of the respective bank with respect to such Collection Account. With respect to each Collection Account, the applicable Grantor shall cause the applicable

bank with which such Collection Account is maintained to execute and deliver to the Collateral Agent, within 90 days (or such later date as the Collateral Agent may agree in its sole discretion) after the date of this Agreement or, if later, within 90 days (or such later date as the Collateral Agent may agree in its sole discretion) of the time of the establishment of the respective Collection Account, a Deposit Account Control Agreement in a form reasonably acceptable to the Collateral Agent. Subject to the terms of the ABL/Term Intercreditor Agreement, if any bank with which a Collection Account is maintained refuses or is unable to, or does not, enter into such a "control agreement", then the applicable Grantor shall promptly close the applicable Collection Account and transfer all balances therein to a Collection Account meeting the requirements of this Section 3.8.

(b) After the date of this Agreement, no Grantor shall establish any Collection Account other than Collection Accounts established and maintained with banks and meeting the requirements of preceding clause (a).

3.9 Letter-of-Credit Rights. If any Grantor is at any time a beneficiary under a letter of credit with a stated amount of $100,000 or more, such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following the creation of such letter of credit, notify the Collateral Agent thereof and, at the request of the Collateral Agent after an Event of Default has occurred and is continuing, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, use its commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under such letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Agreement after the occurrence and during the continuance of an Event of Default (it being understood that unless an Event of Default has occurred and is continuing such proceeds shall be released to such Grantor).

3.10 Commercial Tort Claims. As of the Closing Date, no Grantor has Commercial Tort Claims with an individual claimed value of $100,000 or more other than those described in Annex H hereto. If any Grantor shall at any time after the date of this Agreement hold or acquire a Commercial Tort Claim in an amount (taking the greater of the aggregate claimed damages thereunder or the reasonably estimated value thereof) of $100,000 or more, such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following such acquisition, notify the Collateral Agent thereof in a writing signed by such Grantor and describing the details thereof and shall grant to the Collateral Agent in such writing a security interest therein (subject to Permitted Liens) and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

3.11 Chattel Paper. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor will promptly following any reasonable request by the Collateral Agent, deliver all of its Tangible Chattel Paper with a value in excess of $100,000 to the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Chattel Paper received by such

Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Chattel Paper in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Chattel Paper pursuant to the terms hereof, subject to the terms of the ABL/Term Intercreditor Agreement, upon request of the Collateral Agent, such Chattel Paper shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3.12 Further Actions. Each Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps, including any and all actions as may be necessary or required relating to its Accounts, Contracts, Instruments and other property or rights which constitute Collateral, as the Collateral Agent may reasonably require for the purpose of obtaining or preserving the full benefits of the security interests, rights and powers herein granted; provided, that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral outside of the United States and Canada or (ii) enter into any control agreements or similar arrangements relating to any Deposit Account; except as set forth in Section 3.8.

ARTICLE IV

SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY

4.1 Additional Representations and Warranties. Annex H hereto sets forth a complete and accurate list of all Recordable Intellectual Property that each Grantor owns. Each Grantor represents and warrants that it is the sole owner of all right, title and interest in all Recordable Intellectual Property listed in Annex H hereto. Each Grantor further warrants that it has no knowledge of any written third party claim received by it within the last twelve (12) months that any such Grantor or aspect of such Grantor's present business operations infringes, misappropriates, dilutes or otherwise violates any Intellectual Property of any other Person other than as has not, and would not, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor represents and warrants that no Recordable Intellectual Property listed in Annex H hereto has been canceled or is presently being opposed and, to such Grantor's knowledge, all such Recordable Intellectual Property is valid and subsisting, and such Grantor is not aware of any pending third-party claim that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said applications of Recordable Intellectual Property will not mature into registrations, other than would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor hereby grants to the Collateral Agent an absolute power of attorney to sign, solely upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office, any domain name registrar, the United States Copyright Office, the Canadian Intellectual Property

Office or any other governmental authority in order to effect an assignment of all right, title and interest in any Intellectual Property constituting Collateral, and record the same.

4.2 Infringements. Each Grantor agrees, within 60 days of the end of each fiscal quarter, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available to such Grantor with respect to: (i) any party who such Grantor reasonably believes is infringing, misappropriating, diluting or otherwise violating any of such Grantor's rights in and to any Intellectual Property in any manner that would reasonably be expected to have a Material Adverse Effect, or (ii) any party claiming that any Grantor or the conduct of any Grantor's business infringes, misappropriates, dilutes or otherwise violates any Intellectual Property right of any third party in any manner that would reasonably be expected to have a Material Adverse Effect. Each Grantor further agrees to prosecute diligently in accordance with its reasonable business judgment, any Person infringing, misappropriating, diluting or otherwise violating any Intellectual Property owned by it in any manner that would reasonably be expected to have a Material Adverse Effect.

4.3 Preservation of Trademarks. Each Grantor agrees to use its Trademarks that are material to such Grantor's business in interstate commerce during the time in which this Agreement is in effect to the extent required by the laws of the United States or other jurisdiction, as applicable, to maintain its rights in such Trademarks and to take all such other actions as are reasonably necessary to preserve such Trademarks as trademarks or service marks under the laws of the United States or other jurisdiction, as applicable (other than any such Trademarks that are deemed by a Grantor in its reasonable business judgment to no longer be material to the conduct of such Grantor's business).

4.4 Maintenance of Registration. Each Grantor shall, at its own expense, diligently maintain all material Recordable Intellectual Property in accordance with its reasonable business judgment, including but not limited to filing affidavits of use and applications for renewals of registration for all of its material registered Trademarks and timely payment of all post-issuance fees required to maintain in force its rights under each issued Patent or registered Copyright, and shall pay all fees and disbursements in connection therewith and shall not abandon any such registration, filing of affidavit of use or application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Collateral Agent, not to be unreasonably withheld (other than with respect to registrations and applications deemed by such Grantor in its reasonable business judgment to be no longer prudent to pursue).

4.5 Prosecution of Applications. At its own expense, each Grantor, in accordance with its reasonable business judgment, shall diligently prosecute all material applications for (i) United States Patents listed in Annex J hereto and (ii) Copyrights listed in Annex K hereto, in each case for such Grantor and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies (other than applications that are no longer material or are deemed by such Grantor in its reasonable business judgment to no longer be necessary in the conduct of Grantor's business), absent written consent of the Collateral Agent not to be unreasonably withheld.

4.6 After-Acquired Intellectual Property. In the event that any Grantor, either

itself or through any agent, employee, licensee or designee, files an application for or acquires any Recordable Intellectual Property following the date hereof, then the provisions of this Agreement shall automatically apply thereto and any such Intellectual Property (other than any Excluded Collateral) shall automatically constitute part of the Collateral and shall be subject to the Collateral Agent's security interest, without further action by any party, and such Grantor shall within 60 days of the end of each fiscal quarter execute and deliver any and all agreements, instruments, documents and papers as necessary to evidence and perfect the Collateral Agent's security interest in such Recordable Intellectual Property provided that such agreements, instruments, documents and papers (the " Writings") are consistent with the terms of and conditions of this Agreement and the Annexes K – M, as applicable, and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such Writings, solely upon the occurrence and during the continuance of an Event of Default and solely for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until this Agreement is terminated.

ARTICLE V

PROVISIONS CONCERNING ALL COLLATERAL

5.1 Protection of Collateral Agent's Security . Except as otherwise permitted by the Secured Debt Agreements, each Grantor will do nothing to impair the rights of the Collateral Agent in the Collateral. Each Grantor or an affiliate on behalf of such Grantor will at all times maintain insurance, at such Grantor's own expense to the extent and in the manner provided in the Secured Debt Agreements. If any Event of Default shall have occurred and be continuing, the Collateral Agent shall, at the time any proceeds of such insurance are distributed to the Secured Creditors, apply such proceeds in accordance with Section 6.4 hereof. Each Grantor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Grantor to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Grantor.

5.2 Warehouse Receipts Non-Negotiable . To the extent practicable, each Grantor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its Inventory, such Grantor shall request that such warehouse receipt or receipt in the nature thereof shall not be "negotiable" (as such term is used in Section 7-104 of the UCC as in effect in any relevant jurisdiction or under other relevant law).

5.3 Additional Information. Each Grantor will, at its own expense, from time to time upon the reasonable request of the Collateral Agent, promptly furnish to the Collateral Agent such information with respect to the Collateral (including the identity of the Collateral or such components thereof as may have been reasonably requested by the Collateral Agent, the value and location of such Collateral, etc.) as may be requested by the Collateral Agent.

5.4 Further Actions . Each Grantor will, at its own expense and upon the reasonable request of the Collateral Agent, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of its Collateral,

warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral; provided, that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral under the laws of any jurisdiction outside of the United States and Canada or (ii) enter into any control agreements or similar arrangements relating to any Deposit Account, except as set forth in Section 3.8.

5.5 Financing Statements. Each Grantor agrees to deliver to the Collateral Agent such financing statements, in form reasonably acceptable to the Collateral Agent, as the Collateral Agent may from time to time reasonably request to establish and maintain a valid, enforceable, perfected security interest in the Collateral as provided herein and for the purpose of obtaining and preserving the full benefits of the other rights and security contemplated hereby at least to the extent described in Section 2.1. Each Grantor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Grantor hereby authorizes the Collateral Agent to file any such financing statements without the signature of such Grantor where permitted by law (and such authorization includes describing the Collateral as "all assets and all personal property whether now owned or hereafter acquired" of such Grantor or words of similar effect).

ARTICLE VI

REMEDIES UPON OCCURRENCE OF AN EVENT OF DEFAULT

6.1 Remedies; Obtaining the Collateral Upon Default. Each Grantor agrees that, subject to the terms of the ABL/Term Intercreditor Agreement, if any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent, in addition to any rights now or hereafter existing under applicable law and under the other provisions of this Agreement, shall have all rights as a secured creditor under any UCC, and such additional rights and remedies to which a secured creditor is entitled under the laws in effect in all relevant jurisdictions and may:

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

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Accounts and the Contracts) constituting the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent and may exercise any and all remedies of such Grantor in respect of such Collateral;

(iii) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof in accordance with Section 6.2 hereof, or direct such Grantor to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(iv) take possession of the Collateral or any part thereof, by directing such Grantor in writing to deliver the same to the Collateral Agent at any reasonable place or places designated by the Collateral Agent, in which event such Grantor shall at its own expense:

(a) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent;

(b) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent as provided in Section 6.2 hereof; and

(c) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition;

(v) license or sublicense, on a royalty free, rent basis, whether on an exclusive or nonexclusive basis, any Intellectual Property included in the Collateral (in the case of Trademarks, subject to reasonable quality control and subject to those exclusive licenses granted by Grantors in effect on the date hereof and those granted by any Grantor hereafter to the extent permitted by the Credit Agreement) for such term and on such conditions and in such manner as the Collateral Agent shall in its sole judgment determine, it being understood that any such license, may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; provided, that any such license shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

(vi) apply any monies constituting Collateral or proceeds thereof in accordance with the provisions of Section 6.4; and

(vii) take any other action as specified in clauses (1) through (5), inclusive, of Section 9-607 of the UCC;

it being understood that each Grantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Grantor of said obligation. By accepting the benefits of this Agreement and each other Security Document, the Secured Creditors expressly acknowledge and agree that this Agreement and each other Security Document may be enforced only by the action of the Collateral Agent acting upon the instructions of the Required Secured Creditors and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by

the Collateral Agent or the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Agreement and the other Security Documents.

6.2 Remedies; Disposition of the Collateral. To the extent permitted by applicable law, if any Event of Default shall have occurred and be continuing, then any Collateral repossessed by the Collateral Agent under or pursuant to Section 6.1 hereof and any other Collateral whether or not so repossessed by the Collateral Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair at the expense of the relevant Grantor which the Collateral Agent shall reasonably determine to be commercially reasonable. Any such sale, lease or other disposition may be effected by means of a public disposition or private disposition, effected in accordance with the applicable requirements (in each case if and to the extent applicable) of Sections 9-610 through 9-613 of the UCC and/or such other mandatory requirements of applicable law as may apply to the respective disposition. The Collateral Agent may, without notice or publication, adjourn any public or private disposition or cause the same to be adjourned from time to time by announcement at the time and place fixed for the disposition, and such disposition may be made at any time or place to which the disposition may be so adjourned. To the extent permitted by any such requirement of law, the Collateral Agent may bid for and become the purchaser (and may pay all or any portion of the purchase price by crediting Obligations against the purchase price) of the Collateral or any item thereof, offered for disposition in accordance with this Section 6.2 without accountability to the relevant Grantor. Each Grantor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such disposition or dispositions of all or any portion of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at such Grantor's expense.

6.3 Waiver of Claims. Except as otherwise provided in this Agreement, EACH GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES, and each Grantor hereby further waives, to the extent permitted by law:

(a) all damages occasioned by such taking of possession or any such disposition except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision);

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(c) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Grantor.

6.4 Application of Proceeds.

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all moneys collected by the Collateral Agent (or, to the extent the Pledge Agreement or any other Security Document requires proceeds of collateral under such other Security Document to be applied in accordance with the provisions of this Agreement, the Pledgee under, and as defined in, the Pledge Agreement, or collateral agent under such other Security Document) upon any sale or other disposition of the Collateral (or the collateral under the relevant Security Document), together with all other moneys received by the Collateral Agent hereunder (or under the relevant Security Document), in each case, as a result of the exercise of remedies by the Collateral Agent after the occurrence and during the continuance of an Event of Default, shall be applied as follows:

(i) first, to the payment of all amounts owing the Collateral Agent of the type described in clauses (ii), (iii) and (iv) of the definition of "Obligations";

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), to the payment of all amounts owing to any Agent or any of its Affiliates of the type described in clauses (iv) and (v) of the definition of "Obligations";

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Credit Document Obligations shall be paid to the Secured Creditors as provided in Section 6.4(c) hereof, with each Secured Creditor receiving an amount equal to its outstanding Credit Document Obligations or, if the proceeds are insufficient to pay in full all such Credit Document Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iv) fourth, to the extent proceeds remain after the application pursuant to preceding clauses (i) through (iii), inclusive, ratably to any other then remaining unpaid Obligations; and

(v) fifth, to the extent proceeds remain after the application pursuant to the

preceding clauses (i) through (iv), inclusive, and following the termination of this Agreement pursuant to Section 9.8(a) hereof, to the relevant Grantor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, " Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Obligations, and the denominator of which is the then outstanding amount of all Obligations.

(c) All payments required to be made hereunder shall be made to the Administrative Agent for the account of the Secured Creditors.

(d) For purposes of applying payments received in accordance with this Section6.4, the Collateral Agent shall be entitled to rely upon the Administrative Agent for a determination (which the Administrative Agent agrees (or shall agree) to provide upon request of the Collateral Agent) of the outstanding Credit Document Obligations owed to the Secured Creditors.

(e) It is understood that the Grantors are and shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the Obligations.

6.5 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Collateral Agent shall be in addition to every other right, power and remedy specifically given to the Collateral Agent under this Agreement, the other Secured Debt Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence thereof. No notice to or demand on any Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

6.6 Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the relevant Grantor, the Collateral Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security

interest created under this Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

ARTICLE VII

INDEMNITY

7.1 Indemnity and Expense Reimbursement.

(a) The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

7.2 Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement shall constitute Obligations secured by the Collateral. The indemnity obligations of each Grantor contained in the Credit Agreement shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, Loans made and Letters of Credit issued, under the Credit Agreement and the payment of all other Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

ARTICLE VIII

DEFINITIONS

The following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

"Account" shall mean any "account" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Administrative Agent" shall have the meaning provided in the recitals of this Agreement.

"Agreement" shall mean this Security Agreement as the same may be amended, modified, restated and/or supplemented from time to time in accordance with its terms.

"As-Extracted Collateral" shall mean "as-extracted collateral" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Borrower" shall have the meaning provided in the recitals of this Agreement.

"Cash Collateral Account" shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Collateral Agent for the benefit of the Secured Creditors.

"Chattel Paper" shall mean "chattel paper" as such term is defined in the UCC as in effect on the date hereof in the State of New York. Without limiting the foregoing, the term "Chattel

Paper" shall in any event include all Tangible Chattel Paper and all Electronic Chattel Paper.

"Collateral" shall have the meaning provided in Section 1.1(a) of this Agreement.

"Collateral Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Commercial Tort Claims" shall mean "commercial tort claims" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Compliance Certificate" shall mean a certificate delivered in accordance with Section 8.01(d) of the Credit Agreement.

"Contract Rights" shall mean all rights of any Grantor under each Contract, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"Contracts" shall mean all contracts between any Grantor and one or more additional parties (including, without limitation, any Swap Contracts, contracts for Bank Products, licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements, and settlement agreements).

"Copyrights" shall mean all: (a) copyrights (whether statutory or common law, whether registered or unregistered and whether published or unpublished) all mask works (as such term is defined in 17 U.S.C. Section 901, et seq.), and all copyright registrations and applications therefor, including, without limitation, the copyright registrations and applications in the United States Copyright Office and the Canadian Intellectual Property Office listed in Annex H; (b) rights and privileges arising under applicable law with respect to such copyrights; and (c) renewals and extensions thereof and amendments thereto.

"Credit Agreement" shall have the meaning provided in the recitals of this Agreement.

"Credit Document Obligations" shall have the meaning provided in the definition of "Obligations" in this Article IX.

"Deposit Accounts" shall mean all "deposit accounts" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Documents" shall mean "documents" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Electronic Chattel Paper" shall mean "electronic chattel paper" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Equipment" shall mean any "equipment" as such term is defined in the UCC as in effect on the date hereof in the State of New York, and in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, fixtures and vehicles now or hereafter owned by any Grantor and any and all additions, substitutions and replacements of any of the foregoing and all accessions thereto, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" shall mean (x) at any time prior to the time at which all Credit Document Obligations have been paid in full (other than unasserted contingent indemnification obligations) and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (y) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"General Intangibles" shall mean "general intangibles" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Goods" shall mean "goods" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Grantor" shall have the meaning provided in the first paragraph of this Agreement.

"Instrument" shall mean "instruments" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Intellectual Property" shall mean all: (a) intellectual property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, Software, Trade Secrets, confidential or proprietary technical and business information and other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing; (b) rights corresponding to any of the foregoing throughout the world, including as provided by international treaties or conventions, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto; (c) income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect to any of the foregoing, including damages and payments for past and future infringements, misappropriations, or other violations thereof; and (d) rights to sue for past, present, and future infringements, misappropriations, or other violations of any of the foregoing, including the right to settle suits involving claims and demands for royalties owing.

"Inventory" shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof and all accessions thereto, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production from raw materials through work in process to finished goods, and all products and proceeds of whatever sort and wherever located any portion thereof which may be returned, rejected, reclaimed or repossessed by the Collateral Agent from any Grantor's customers, and shall specifically include all "inventory" as such term is defined in the UCC as in effect on the date hereof in the State of

New York.

"Investment Property" shall mean "investment property" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Lenders" shall have the meaning provided in the recitals of this Agreement.

"Letter-of-Credit Rights" shall mean "letter-of-credit rights" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Licenses" means any and all licenses, agreements, consents, orders, franchises and similar arrangements in respect of the licensing, development, use or disclosure of any Intellectual Property.

"Location" of any Grantor, shall mean such Grantor's "location" as determined pursuant to Section 9-307 of the UCC as in effect on the date hereof in the State of New York.

"Obligations" shall mean and include, as to any Grantor, all of the following:

(i) the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations (including all "Obligations" as defined in the Credit Agreement), liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Grantor or any Subsidiary thereof at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), fees, costs and indemnities) of such Grantor owing to the Secured Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and the other Credit Documents to which such Grantor is a party (including, without limitation, in the event such Grantor is a Guarantor, all such obligations, liabilities and indebtedness of such Grantor under its Guaranty) and the due performance and compliance by such Grantor with all of the terms, conditions and agreements contained in the Credit Agreement and in such other Credit Documents (all such obligations, liabilities and indebtedness under this clause (i), being herein collectively called the "Credit Document Obligations");

(ii) any and all sums advanced by the Collateral Agent in order to preserve the Collateral or preserve its security interest in the Collateral;

(iii) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of such Grantor referred to in clause (i) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable attorneys' fees and court costs;

(iv) all amounts paid by any Indemnified Person as to which such Indemnified

Person has the right to reimbursement under the Credit Agreement; and

(v) all amounts owing to any Agent or any of its Affiliates pursuant to any of the Credit Documents in its capacity as such;

it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

"Ordinary Course Transferees" shall mean: (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 9-320(a) and 9-321 of the UCC as in effect from time to time in the relevant jurisdiction, (ii) with respect to General Intangibles only, licensees in the ordinary course of business to the extent provided in Section 9-321 of the UCC as in effect from time to time in the relevant jurisdiction and (iii) any other Person who is entitled to take free of the Lien pursuant to the UCC as in effect from time to time in the relevant jurisdiction.

"Patents" shall mean all: (a) industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office or the Canadian Intellectual Property Office listed in Annex H, and (b) reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto.

"Permits" shall mean, to the extent permitted to be assigned by the terms thereof or by applicable law, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any governmental authority or agency.

"Pro Rata Share" shall have the meaning provided in Section 7.4(b) of this Agreement.

"Proceeds" shall mean all "proceeds" as such term is defined in the UCC as in effect in the State of New York on the date hereof and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Recordable Intellectual Property" means (i) any Patent issued by or applied for issuance with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (ii) any Trademark registered or applied for registration with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (iii) any Copyright registered or

applied for registration with the United States Copyright Office or the Canadian Intellectual Property Office and (iv) any material License granting to any Grantor any exclusive right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials pertaining to a Copyright registered with the United States Copyright Office or the Canadian Intellectual Property Office.

"Registered Organization" shall have the meaning provided in the UCC as in effect in the State of New York.

"Required Secured Creditors" shall mean at any time when any Credit Document Obligations are outstanding or any Commitments under the Credit Agreement exist, the Required Lenders (or, to the extent provided in Section 12.10 of the Credit Agreement, each of the Lenders).

"Secured Creditors" shall have the meaning provided in the recitals of this Agreement.

"Secured Debt Agreements" shall mean and include this Agreement and the other Credit Documents.

"Software" shall mean all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing.

"Supporting Obligations" shall mean any "supporting obligation" as such term is defined in the UCC as in effect on the date hereof in the State of New York, now or hereafter owned by any Grantor, or in which any Grantor has any rights.

"Tangible Chattel Paper" shall mean "tangible chattel paper" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Termination Date" shall have the meaning provided in Section 9.8(a) of this Agreement.

"Timber-to-be-Cut" shall mean "timber-to-be-cut" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"Trade Secret Rights" shall mean the rights of a Grantor in any Trade Secret it holds.

"Trade Secrets" shall mean all confidential and proprietary information, including, without limitation, know-how, show-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, and all similar intellectual, industrial and intangible property.

"Trademarks" shall mean all: (a) trademarks, service marks, certification marks, domain names and associated URLs, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office and the Canadian Intellectual Property Office that are listed in Annex H, (b) all extensions or renewals of any of the foregoing, (c) goodwill associated therewith or symbolized thereby, (d) other assets, rights and interests that uniquely reflect or embody such goodwill, and (e) rights and privileges arising under applicable law with respect to the use of any of the foregoing.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

"Vehicles" shall mean all cars, trucks, construction and earth moving equipment covered by a certificate of title law of any state.

"Voting Equity Interests" shall mean (i) all classes of Equity Interests entitled to vote and (ii) any other Equity Interests treated as voting stock for purposes of Treasury Regulation Section 1.956-2(c)(2).

ARTICLE IX

MISCELLANEOUS

9.1 Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or any Grantor shall not be effective until received by the Collateral Agent or such Grantor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to any Grantor, c/o:

Bauer Performance Sports Ltd.
100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: 603-430-7332
Telephone: 603-610-5805
E-mail: Michael.Wall@bauer.com

(b) if to the Collateral Agent, at:

Gregory Kress
Senior Vice President
Bank of America Business Capital
Bank of America Merrill Lynch
Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 – 1181
F: (312) 453 – 4396
gregory.kress@baml.com

(c) if to any Secured Creditor (other than the Collateral Agent), at such address as such Secured Creditor shall have specified in the Credit Agreement;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

9.2 Waiver; Amendment. Except as provided in Sections 9.8 and 9.12, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Grantor directly affected thereby (it being understood that the addition or release of any Grantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Grantor other than the Grantor so added or released) and the Collateral Agent (with the written consent of the Required Secured Creditors).

9.3 Obligations Absolute. To the maximum extent permitted by applicable law, the obligations of each Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or any security for any of the Obligations; whether or not such Grantor shall have notice or knowledge of any of the foregoing.

9.4 Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 9.8, (ii) be binding upon each Grantor, its successors and assigns; provided, however, that no Grantor shall assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Grantor herein or in any certificate or other instrument delivered by such Grantor or on its behalf under this Agreement shall be considered to have been relied upon by the

Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

9.5 Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

9.6 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL .

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT (EXCEPT THAT, (X) IN THE CASE OF ANY COLLATERAL LOCATED IN ANY STATE OTHER THAN NEW YORK, PROCEEDINGS MAY BE BROUGHT BY THE ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN THE STATE IN WHICH THE RESPECTIVE COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING, WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING), OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH SUCH PARTY HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER IT. EACH SUCH PARTY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 9.1 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID

OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER PRIOR TO THE TERMINATION DATE HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

9 . 7 Grantor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or with respect to any Collateral.

9.8 Termination; Release.

(a) After the Termination Date, this Agreement shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors (provided that all indemnities set forth herein including, without limitation in Section 8.1 hereof, shall survive such termination) and the Collateral Agent, at the request and expense of the respective Grantor, will promptly execute and deliver to such Grantor a proper instrument or instruments (including UCC termination statements on form UCC-3) acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the date upon which the Total Commitment under the Credit Agreement has been terminated and all Credit Document Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Loans thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted).

(b) In the event that, at any time prior to the Termination Date, any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 12.10 of the Credit Agreement), and the proceeds of such sale or disposition (or from such release) are applied in accordance with the terms of the Credit Agreement, to the extent required to be so applied, the Collateral Agent, at the request and expense of such Grantor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Collateral Agent and has not theretofore been released pursuant to this Agreement. Furthermore, upon the release of any Subsidiary Guarantor from the Subsidiaries Guaranty in accordance with the provisions thereof, such Grantor (and the Collateral at such time assigned by the respective Grantor pursuant hereto) shall be released from this Agreement.

(c) At any time that a Grantor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 9.8(b), such Grantor shall deliver to the Collateral Agent (and the relevant sub-agent, if any, designated hereunder) a certificate signed by a Responsible Officer of such Grantor stating that the release of the respective Collateral is permitted pursuant to such Section 9.8(b). At any time that either the Borrower or the respective Grantor desires that a Subsidiary of the Borrower which has been released from the Subsidiaries Guaranty be released hereunder as provided in the last sentence of Section 9.8(b), it shall deliver to the Collateral Agent a certificate signed by a Responsible Officer of the Borrower and the respective Grantor stating that the release of the respective Grantor (and its Collateral) is permitted pursuant to such Section 9.8(b).

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 9.8.

9.9 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Collateral Agent. Delivery of an executed signature page to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

9.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.11 The Collateral Agent and the other Secured Creditors . The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Section 11 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Section 11 of the Credit Agreement.

9.12 Additional Grantors. It is understood and agreed that any Subsidiary Guarantor that desires to become a Grantor hereunder, or is required to execute a counterpart of this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Grantor hereunder by executing a counterpart hereof and delivering same to the Collateral Agent, or by executing and delivering to the Collateral Agent a joinder agreement in form and substance reasonably satisfactory to the Collateral Agent, (y) delivering supplements to Annexes A through F, inclusive, and H through K, inclusive, hereto as are necessary to cause such Annexes to be complete and accurate with respect to such additional Grantor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Grantor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Collateral Agent and with all documents and actions required above to be taken to the reasonable satisfaction of the Collateral Agent.

9.13 ABL/Term Intercreditor Agreement. This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Collateral Agent (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement. Prior to the Discharge of Fixed Asset Obligations (as defined in the ABL/Term Intercreditor Agreement), the delivery or granting of "control" (as defined in the UCC) of any Fixed Asset Priority Collateral (as defined in the ABL/Term Intercreditor Agreement) to the Controlling Fixed Asset Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) shall satisfy any such delivery or granting of "control" requirement hereunder or under any other Credit Document with respect to any Fixed Assets Priority Collateral (as defined in the ABL/Term Intercreditor Agreement) to the extent that such deliver or granting of "control" is consistent with the terms of the ABL/Term Intercreditor Agreement.

[Remainder of this page intentionally left blank; signature page follows]

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

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS
UNIFORMS INC.

BPS DIAMOND SPORTS INC.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

MISSION ITECH HOCKEY, INC.

By: _____
Name:
Title:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
SECURITY AGREEMENT

SCHEDULE OF CHIEF EXECUTIVE OFFICES

Name of Grantor	Address(es) of Chief Executive Office
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]

ANNEX B
to
SECURITY AGREEMENT

SCHEDULE OF INVENTORY AND EQUIPMENT LOCATIONS

ANNEX C
to
SECURITY AGREEMENT

SCHEDULE OF LEGAL NAMES, TYPE OF ORGANIZATION
(AND WHETHER A REGISTERED ORGANIZATION), JURISDICTION OF ORGANIZATION, LOCATION AND ORGANIZATIONAL IDENTIFICATION NUMBERS

Exact Legal Name of Each Grantor	Type of Organization (or, if the Grantor is an Individual, so indicate)	Registered Organization? (Yes/No)	Jurisdiction of Organization	Grantor's Location (for purposes of NY UCC § 9-307)	Grantor's Organization Identification Number (or, if it has none, so indicate)

ANNEX D
to
SECURITY AGREEMENT

SCHEDULE OF TRADE AND FICTITIOUS NAMES

Name of Grantor	Trade and/or Fictitious Names
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX E
to
SECURITY AGREEMENT

DESCRIPTION OF CERTAIN SIGNIFICANT TRANSACTIONS OCCURRING WITHIN
ONE YEAR PRIOR TO THE DATE OF THE SECURITY AGREEMENT

Name of Grantor	Description of any Transactions as Required by Section 2.8 of the Security Agreement
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX F
to
SECURITY AGREEMENT

Schedule of Collection Accounts

Name of Grantor	Description of Collection Account	Account Number	Name of Bank	Jurisdiction of Bank (determined in accordance with UCC § 9-304)

ANNEX G
to
SECURITY AGREEMENT

DESCRIPTION OF COMMERCIAL TORT CLAIMS

Name of Grantor	Description of Commercial Tort Claim
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX H
to
SECURITY AGREEMENT

SCHEDULE OF RECORDABLE INTELLECTUAL PROPERTY

1. Registered Trademarks:

MARK	REGISTRATION DATE	REGISTRATION NO.	OWNER

2. Applications for Trademarks:

MARK	APPLICATION DATE	SERIAL NO.	APPLICANT

3. Domain Names:

DOMAIN NAME	REGISTRATION DATA	REGISTRANT

4. Patents:

TITLE	ISSUE DATE	PATENT NO.	REGISTERED OWNER

5. Patent Applications:

TITLE	FILING DATE	APPLICATION NO.	APPLICANT

6. Registered Copyrights:

TITLE	DATE FILED	REGISTRATION NO.	REGISTERED OWNER

7. Copyright Applications:

TITLE	DATE FILED	APPLICATION NO.	APPLICANT

8. Exclusive Licenses:

DATE	LICENSOR	LICENSEE	TITLE	APPLICATION / REGISTRATION NO.

ANNEX K
to
SECURITY AGREEMENT

NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, [Name of Grantor], a _____ _____ (the "Grantor") with principal offices at _____, hereby pledges and grants to Bank of America, N.A., as Collateral Agent, with principal offices at [_____], (the "Grantee"), for the benefit of the Secured Creditors (as such term is defined in the Security Agreement referred to below), a continuing security interest in all of the right, title and interest of such Grantor in, to and under (i) (a) all trademarks, service marks, certification marks, domain names, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, and all extensions or renewals thereof, including without limitation any of the foregoing set forth in Schedule A hereto, (b) all goodwill associated therewith or symbolized thereby, (c) all other assets, rights and interests that uniquely reflect or embody such goodwill, (d) rights and privileges arising under applicable law with respect to the use of any of the foregoing, (e) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements, dilutions or other violations thereof, and all other Proceeds

(as such term is defined in the Security Agreement referred to below), (f) rights to sue for past, present and future infringements, dilutions or other violations thereof, and (g) rights corresponding thereto throughout the world, (collectively, the "Trademark Collateral"); provided that the Trademark Collateral shall not include any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law.

THIS GRANT is made to secure the prompt and complete payment and performance when due of all the Obligations of the Grantor, as such term is defined in the Security Agreement among the Grantor, the other Grantors from time to time party thereto and the Grantee, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Trademark Collateral acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement and is expressly subject to the terms and conditions thereof. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference as if fully set forth herein. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

This Grant is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Security Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Grant, the terms of ABL/Term Intercreditor Agreement shall govern.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the ____ day of _____, ____.

[NAME OF GRANTOR], Grantor

By: ____

Name:
Title:

Bank of America, N.A.,
as Collateral Agent and Grantee

By: ____

Name:
Title:

SCHEDULE A

1. Registered Trademarks:

MARK	REGISTRATION DATE	REGISTRATION NO.	OWNER

2. Applications for Trademarks:

MARK	APPLICATION DATE	SERIAL NO.	APPLICANT

ANNEX L
to
SECURITY AGREEMENT

NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES PATENTS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, [Name of Grantor], a _____ _____ (the "Grantor") with principal offices at _____, hereby pledges and grants to Bank of America, N.A., as Collateral Agent, with principal offices at [_____], (the "Grantee"), for the benefit of the Secured Creditors (as such term is defined in the Security Agreement referred to below), a continuing security interest in all of the right, title and interest of such Grantor in, to and under (i) (a) all industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office, including those set forth in Schedule A hereto, (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto, (c) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto, including damages and payments for past, present or future infringements or other violations thereof, and all other Proceeds (as such term is defined in the Security Agreement referred to below), (d) rights to sue for past, present or future infringements or other violations thereof, and (e) rights corresponding thereto throughout the world (collectively, the "Patent Collateral").

THIS GRANT is made to secure the prompt and complete payment and performance when due of all the Obligations of the Grantor, as such term is defined in the Security Agreement among the Grantor, the other Grantors from time to time party thereto and the Grantee, dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement").

Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Patent Collateral acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement and is expressly subject to the terms and conditions thereof. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference as if fully set forth herein. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

This Grant is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Security Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Grant, the terms of ABL/Term Intercreditor Agreement shall govern.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the ____ day of _____, ____.

[NAME OF GRANTOR], Grantor

By: ____

Name:
Title:

Bank of America, N.A.,
as Collateral Agent and Grantee

By: ____

Name:
Title:

SCHEDULE A

1. Patents:

TITLE	ISSUE DATE	PATENT NO.	REGISTERED OWNER

2. Patent Applications:

TITLE	FILING DATE	APPLICATION NO.	APPLICANT

ANNEX M
to
SECURITY AGREEMENT

NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES COPYRIGHTS

WHEREAS, [Name of Grantor], a _____ _____ (the " Grantor"), having its chief executive office at _____, _____, is the owner of all right, title and interest in, to and under the United States copyrights, copyright registrations and applications for registration set forth in Schedule A attached hereto ("Copyrights");

WHEREAS, Bank of America, N.A., as Collateral Agent, having its principal offices at [_____] (the "Grantee"), desires to acquire a security interest in the Copyrights; and

WHEREAS, the Grantor is willing to grant to the Grantee a security interest in and lien upon the Copyrights.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the Security Agreement, dated as of April 15, 2014, made by the Grantor, the other Grantors from time to time party thereto and the Grantee (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"), the Grantor hereby pledges and grants to the Grantee, for the benefit of the Secured Creditors (as such term is defined in the Security Agreement), a continuing security interest in all of the right, title and interest of such Grantor in, to and under the Copyrights.

Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantor shall execute, acknowledge and deliver to the Grantee an instrument in writing releasing the security interest in the Copyrights acquired under this Grant.

This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement and is expressly subject to the terms and conditions thereof. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference as if fully set forth herein. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

This Grant is subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement (as defined in the Security Agreement) in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Grant, the terms of ABL/Term Intercreditor Agreement shall govern.

[Remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Grant as of the ____ day of _____, ____.

[NAME OF GRANTOR], Grantor

By: ____

Name:
Title:

Bank of America, N.A.,
as Collateral Agent and Grantee

By: ____

Name:
Title:

SCHEDULE A

1. Registered Copyrights:

TITLE	DATE FILED	REGISTRATION NO.	REGISTERED OWNER

EXHIBIT G-2

FORM OF CANADIAN SECURITY AGREEMENT

[See Attached.]

ABL CANADIAN SECURITY AGREEMENT

among

BAUER PERFORMANCE SPORTS LTD.,
CERTAIN SUBSIDIARIES OF BAUER PERFORMANCE SPORTS LTD.
and

BANK OF AMERICA, N.A.,

as COLLATERAL AGENT

_____

Dated as of April 15, 2014

_____

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ARTICLE VIII

DEFINITIONS

ARTICLE IX

MISCELLANEOUS

CANADIAN SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of April 15, 2014 made by each of the undersigned grantors (each, a " Grantor" and, together with any other entity that becomes a grantor hereunder pursuant to Section 9.12 hereof, the "Grantors") in favor of Bank of America, N.A., as Collateral Agent (together with any successor Collateral Agent, the " Collateral Agent"), for the benefit of the Secured Creditors (as defined below). Certain capitalized terms as used herein are defined in Article IX hereof. Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Bauer Performance Sports Ltd. (the " Parent"), Bauer Hockey Corp. and Bauer Hockey Inc. (each, a " Lead Borrower" and, collectively, the " Lead Borrowers"), each of the other borrowers party thereto (each, a " Subsidiary Borrower" and, together with the Lead Borrowers, the "Borrowers"), the lenders party thereto from time to time (the " Lenders"), Bank of America, N.A., as administrative agent and collateral agent (together with any successor administrative agent or collateral agent, the "Administrative Agent") have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making of Revolving Loans to the Borrowers and the issuance of Letters of Credit on behalf of the Parent and the Borrowers as contemplated therein (the Lenders, the Issuing Banks, the Administrative Agent, the Collateral Agent and each other Agent are herein called the "Lender Creditors");

WHEREAS, the Parent or any other Credit Party may at any time and from time to time enter into one or more Secured Bank Product Obligations with Secured Bank Product Providers (collectively, the "Other Creditors" and, together with the Lender Creditors, the "Secured Creditors");

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations;

WHEREAS, it is a condition precedent to the making of Revolving Loans to the Borrowers and the issuance of Letters of Credit on behalf of the Parent and the Borrowers under the Credit Agreement that each Grantor shall have executed and delivered to the Collateral Agent this Agreement; and

WHEREAS, each Grantor will obtain benefits from the incurrence of Revolving Loans by and the issuance of Letters of Credit on behalf of the Parent and the Borrowers under the Credit Agreement and the entering into by the Parent or any other Credit Party of Secured Bank Product Obligations with the Other Creditors and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding

paragraph;

NOW, THEREFORE, in consideration of the benefits accruing to each Grantor, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

ARTICLE I

SECURITY INTERESTS

1.1 Grant of Security Interests.

(a) As security for the prompt and complete payment or performance, as the case may be, when due of all of its Obligations, each Grantor does hereby pledge, assign, mortgage, charge and grant to the Collateral Agent, for the benefit of the Secured Creditors, as and by way of a fixed and specific mortgage and charge, and grants to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest in, all of its present and after-acquired personal property, including, without limiting the foregoing, all of its right, title and interest in, to and under all of the following personal property and fixtures (and all rights therein), or in which or to which it has any rights, in each case whether now existing or hereafter from time to time acquired (but excluding any Excluded Collateral (as defined below)):

(i) each and every Account, including all claims of any kind that such Grantor has, including claims against the Crown and claims under insurance policies;

(ii) the Cash Collateral Account and all Money, Securities, Instruments and other investments deposited or required to be deposited in the Cash Collateral Account;

(iii) all Chattel Paper;

(iv) all Contracts, together with all Contract Rights arising thereunder;

(v) all Equipment and fixtures;

(vi) all Deposit Accounts and all Money, Securities, Instruments and other investments deposited or required to be deposited in any of the foregoing;

(vii) all Documents of Title;

(viii) all Financial Assets;

(ix) all Goods;

(x) all Instruments;

(xi) all Intangibles;

(xii) all Intellectual Property

(xiii) all Inventory;

(xiv) all Investment Property, including shares, stock, warrants, bonds, debentures, debenture stock and other Securities (in each case whether evidenced by a Security Certificate or an Uncertificated Security) and Security Entitlements, Securities Accounts, Futures Contracts and Futures Accounts;

(xv) all rights in letters of credit (whether or not the respective letter of credit is evidenced by a writing);

(xvi) all Money;

(xvii) all Patents;

(xviii) all Permits;

(xix) with respect to the foregoing, all parts, components, renewals, substitutions and replacements of that property and all attachments, accessories and increases, additions and Accessions to that property; and

(xx) all Proceeds and products of any and all of the foregoing, including property in any form derived directly or indirectly from any dealing with such property

(all of the above, the " Collateral").

(b) The security interest of the Collateral Agent under this Agreement extends to all Collateral that any Grantor may acquire, or with respect to which any Grantor may obtain rights, at any time during the term of this Agreement.

1.2 Certain Exceptions. Notwithstanding Section 1.1, no security interest is or will be granted pursuant hereto in any right, title or interest of any Grantor under or in (each of (a) through (o) collectively, the "Excluded Collateral"):

(a) any leases, licenses, Instruments, Contracts, Chattel Paper, Intangibles, Permits, governmental licenses, provincial, territorial or local franchises, charters or authorizations or other contracts or agreements (other than an Account or Chattel Paper) with or issued by Persons other than the Borrower or Subsidiaries of the Borrower

or an Affiliate thereof (collectively, " Excluded Agreements ") that would otherwise be included in the Collateral (and such Excluded Agreements shall not be deemed to constitute a part of the Collateral) for so long as, and to the extent that, the granting of such a security interest pursuant hereto would invalidate or result in a violation, breach, default or termination of such Excluded Agreements or create a right of termination in favour of, or require the consent of, any party thereto (in each case other than the Borrower or a Subsidiary Guarantor) (in each case, except to the extent any such violation, breach, default, termination, right or consent would be rendered ineffective under the PPSA or other applicable

law); provided, however, that a security interest in an Excluded Agreement in favour of the Secured Creditors shall attach immediately (i) at such time as Grantor's grant of a security interest in such Excluded Agreement no longer results in a violation, breach, default or termination thereof or thereunder or no longer creates such right of termination or such right has been waived or requires such consent or such consent has been obtained, (ii) to the extent severable, to any portion of such Excluded Agreement that does not result in a respective violation, breach, default, termination or right or consent thereof or thereunder and (iii) to any proceeds or receivables of such Excluded Agreement that are not Excluded Collateral;

(b) any Consumer Goods;

(c) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law;

(d) any Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods to the extent that any valid and enforceable law or regulation applicable to such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods prohibit the creation of a security interest therein, except to the extent such prohibition is unenforceable after giving effect to the applicable provisions of the PPSA or other applicable law;

(e) other than Equity Interests in **[Redacted – Name of Subsidiary]** , those assets located outside of the United States and Canada (solely to the extent action would be required in such other jurisdictions to obtain such security interests);

(f) those Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods as to which the Administrative Agent and the Lead Borrower reasonably agree in a writing to the Collateral Agent that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby;

(g) (a) any fee-owned real property with a fair market value less than $5,000,000 and (b) all leasehold interests in real property;

(h) any Equity Interests in (i) a joint venture or other non-Wholly-Owned Subsidiary to the extent that granting a security interest in or Lien on such Equity Interests is not permitted by the governing documents of such joint venture or other non-Wholly-Owned Subsidiary or would require the consent of any Person who owns Equity Interests in such joint venture or non-Wholly-Owned Subsidiary which (other than any Grantor or its Subsidiaries) consent has not been obtained, (ii) Subsidiaries that are not directly owned by a Grantor, and (iii) Unrestricted Subsidiaries;

(i) any margin stock;

(j) any motor vehicles and assets subject to certificates of title (other than to the extent such rights can be perfected by the filing of a financing statement under the PPSA);

(k) cash that secures any letters of credit outstanding and permitted to be outstanding and secured pursuant to the terms of the Credit Agreement; and

(l) any of the following:

(1) any Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods that would otherwise be included in the Collateral (and such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods shall not be deemed to constitute a part of the Collateral) if such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods have been sold or otherwise transferred in connection with a sale-leaseback transaction permitted under Section 9.02(k) of the Credit Agreement, or are subject to any Liens permitted under Section 9.01(g) of the Credit Agreement, or constitute the Proceeds or products of any Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods that have been so sold or otherwise transferred, in each case in accordance with the terms of the Credit Agreement, so long as such Proceeds or products remain subject to the Liens referenced above in this clause (1); and

(2) any property or asset that would otherwise be included in the Collateral (and such property or asset shall not be deemed to constitute a part of the Collateral) if such property or assets is subject to a Lien permitted by Section 9.01(n) of the Credit Agreement;

in each case pursuant to preceding clauses (l)(1) through (2), for so long as, and to the extent that, the granting or existence of such a security interest pursuant hereto would result in a breach, default or termination of any agreement relating to the respective Lien or obligations secured thereby (in each case, except to the extent any such breach, default or termination would be rendered ineffective under the PPSA or other applicable law); provided that immediately upon repayment of the Indebtedness and/or other monetary obligation secured by a Lien referenced in clauses (l)(1) through (2), the relevant Grantor shall be deemed to have granted a security interest in all of its rights, title and interests under or in such Intangibles, Instruments, Investment Property, Chattel Paper, Documents of Title, Money or Goods that are the subject of such Lien;

provided, however, that Excluded Collateral shall not include any Proceeds, substitutions or replacements of any Excluded Collateral referred to in any of clauses (a) through (l) (unless such Proceeds, substitutions or replacements would constitute Excluded Collateral referred to in any of clauses (a) through (l)).

1.3 Trademarks. The security interest with respect to trademarks constitutes a security interest in, and a charge and pledge of, such Collateral in favour of the Collateral Agent, for the benefit of the Secured Creditors, but does not constitute an assignment or mortgage of such Collateral to the Collateral Agent or any Secured Creditor.

1.4 Attachment. Each Grantor has rights in its Collateral and agrees that the

Secured Creditors have given value and that the security interests created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon such Grantor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Collateral Agent. In each case, the parties do not intend to postpone the attachment of any security interests created by this Agreement.

1.5 Power of Attorney. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of such Grantor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to such Grantor under or arising out of the Collateral, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be reasonably necessary or advisable to protect the interests of the Secured Creditors, which appointment as attorney is coupled with an interest.

1.6 In Addition to Other Rights; No Marshalling. This Agreement is in addition to and is not in any way prejudiced by or merged with any other security interest or Lien now or subsequently held by the Collateral Agent in respect of any Obligations. The Secured Creditors shall be under no obligation to marshal in favour of the Grantors any other security interest or Lien or any money or other property that the Secured Creditors may be entitled to receive or may have a claim upon.

ARTICLE II

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Grantor represents and warrants as of the date hereof, and, until the Termination Date, covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1 Necessary Perfection Action. The security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral for the benefit of the Collateral Agent and the Secured Creditors is a valid security interest and Lien upon such Grantor's right, title and interest in and to the Collateral. Upon (A) the filing of the PPSA and UCC financing statements in the appropriate jurisdictions set forth on Annexes A, B and C, (B) the recordation of Annex H in the Canadian Intellectual Property Office, and (C) the receipt by the Collateral Agent of all instruments, chattel paper and certificated pledged Equity Interests constituting Collateral in suitable form for transfer by delivery or accompanied by instruments of transfer or assignment duly executed in blank, such security interest and Lien shall be perfected in all of the Collateral in which a security interest may be perfected by filing, recording or registering a PPSA financing statement or analogous document in Canada (or any political subdivision thereof) and its territories and possessions pursuant to the PPSA or other applicable law in such jurisdictions and in which a security interest may be perfected upon the receipt and recording of this Agreement (or a short form hereof) with the Canadian Intellectual Property Office; provided, however, that additional filings may be necessary to perfect

the Collateral Agent's security interest in, and Lien on, any Recordable Intellectual Property acquired after the date hereof.

Upon the actions taken under this Section 2.1, such security interest will be superior to and prior to all other Liens of all other Persons (other than Permitted Liens), and, subject to the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement, enforceable as such as against all other Persons (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) other than Ordinary Course Transferees.

2.2 No Liens. Such Grantor is, and as to all Collateral acquired by it from time to time after the date hereof will be, the owner of, or otherwise have the right to use, all Collateral free from any Lien of any Person (other than Permitted Liens), and such Grantor shall, at its own expense, take all commercially reasonable actions necessary to defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein materially adverse to the Collateral Agent.

2.3 Other Financing Statements. As of the date hereof, no Grantor has filed, nor authorized the filing by any third party of any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than financing statements filed in respect of Permitted Liens), and so long as the Termination Date has not occurred, such Grantor will not authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Grantor or in connection with Permitted Liens.

2 . 4 Chief Executive Office, Record Locations. The chief executive office of such Grantor is, on the date of this Agreement, located at the address indicated on Annex A hereto for such Grantor. During the period of the four calendar months preceding the date of this Agreement, the chief executive office of such Grantor has not been located at any address other than that indicated on Annex A in accordance with the immediately preceding sentence, in each case unless each such other address is also indicated on Annex A hereto for such Grantor.

2.5 Locations of Collateral. All Inventory, Equipment and other tangible personal property (having a fair market value in excess of $100,000 with respect to Collateral comprising Equipment only) held on the date hereof, or held at any time during the four calendar months prior to the date hereof, by each Grantor, other than Inventory in transit or Equipment moved in the ordinary course of business within the jurisdictions shown on Annex B hereto, is located at one of the locations shown on Annex B hereto for such Grantor. No Grantor shall permit any of its Inventory, Equipment or other tangible personal property to be located out of the jurisdictions shown on Annex B hereto for such Grantor without providing the Collateral Agent with 10 (ten) days advance written notice and promptly taking all action reasonably requested by the Collateral Agent to maintain the security interests of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected to the extent described in Section 2.1 and in full force and effect.

2 . 6 Legal Names; Type of Organization; Jurisdiction of Organization; Location; Organizational Identification Numbers; Federal Employer Identification Number; Changes Thereto; etc. As of the Closing Date, the exact legal name of each Grantor, the type of organization of such Grantor, the jurisdiction of organization of such Grantor, such Grantor's Location, the organizational identification number (if any) of such Grantor and the Federal Employer Identification Number of such Grantor (if any), is listed on Annex C hereto for such Grantor. Such Grantor shall not change its legal name, its type of organization, its jurisdiction of organization, its Location, its organizational identification number (if any) or its Federal Employer Identification Number (if any) from that used on Annex C hereto, except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve (x) a registered organization ceasing to constitute same or (y) such Grantor changing its jurisdiction of organization or Location from Canada or a province or territory thereof to a jurisdiction of organization or Location, as the case may be, outside Canada or a province or territory thereof) if (i) it shall have given to the Collateral Agent written notice of each change to the information listed on Annex C (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex C which shall update all information contained therein for such Grantor within five (5) Business Days of such change (or such longer period as agreed to by the Collateral Agent) and (ii) in connection with such change or changes, it shall take all action reasonably requested by the Collateral Agent to maintain the security interests of the Collateral Agent in the Collateral intended to be granted hereby at all times fully perfected to the extent described in Section 2.1 and in full force and effect. In addition, to the extent that such Grantor does not have an organizational identification number on the date hereof and later obtains one, such Grantor shall promptly thereafter notify the Collateral Agent of such organizational identification number and shall take all actions reasonably satisfactory to the Collateral Agent to the extent necessary to maintain the security interest of the Collateral Agent in the Collateral intended to be granted hereby fully perfected to the extent described in Section 2.1 and in full force and effect.

2.7 Trade Names; Etc. Such Grantor has not and does not operate in any jurisdiction under, or in the preceding five (5) years has not operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name as specified in Annex C and such other trade or fictitious names as are listed on Annex D hereto for such Grantor.

2.8 Certain Significant Transactions. During the one year period preceding the date of this Agreement, no Person shall have merged, amalgamated or consolidated with or into any Grantor, and no Person shall have liquidated into, or transferred all or substantially all of its assets to, any Grantor, in each case except the mergers, amalgamations and consolidations contemplated by the Transaction and the mergers, amalgamations and consolidations described in Annex E hereto. With respect to any transactions so described in Annex E hereto, the respective Grantor shall have furnished such information with respect to the Person (and the assets of the Person and locations thereof) which merged with or into or amalgamated or consolidated with such Grantor, or was liquidated into or transferred all or substantially all of its assets to such Grantor, and shall have furnished to the Collateral Agent such PPSA and *Bank Act* (Canada) lien searches as may have been reasonably requested with respect to such Person and its assets, to establish that no security interest (excluding Permitted Liens) continues perfected on the date hereof with respect

to any Person described above (or the assets transferred to the respective Grantor by such Person).

2.9 Consumer Goods. None of the Collateral consists of Consumer Goods.

2.10 Collateral in the Possession of a Bailee . If any Inventory or other Goods, the aggregate fair market value of which is equal to or greater than $1,000,000, are at any time in the possession of a bailee, such Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the Credit Agreement furnish the Collateral Agent with written notice thereof and, if requested by the Collateral Agent after an Event of Default has occurred and is continuing, shall use its reasonable efforts to promptly obtain an acknowledgment from such bailee, in form and substance reasonably satisfactory to the Collateral Agent, that the bailee holds such Collateral for the benefit of the Collateral Agent and shall act upon the instructions of the Collateral Agent, without the further consent of such Grantor, subject to the ABL/Term Intercreditor Agreement. The Collateral Agent agrees with such Grantor that the Collateral Agent shall not give any such instructions unless an Event of Default has occurred and is continuing and upon notice from the Collateral Agent of its intent to exercise remedies.

2.11 Recourse. This Agreement is made with full recourse to each Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Grantor contained herein, in the Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

ARTICLE III

SPECIAL PROVISIONS CONCERNING ACCOUNTS; CONTRACT RIGHTS; INSTRUMENTS; CHATTEL PAPER AND CERTAIN OTHER COLLATERAL

3 . 1 Maintenance of Records. Each Grantor will keep and maintain proper books and records of its Accounts and Contracts, in which full, true and correct entries in conformity with generally accepted accounting principles and all Requirements of Law shall be made of all such Accounts and Contracts, and such Grantor will make the same available on such Grantor's premises to officers and designated representatives of the Collateral Agent for inspection in accordance with the terms and conditions set forth in the Credit Agreement. Upon the occurrence and during the continuance of an Event of Default and at the request of the Collateral Agent, such Grantor shall, at its own cost and expense, deliver all tangible evidence of its Accounts and Contract Rights (including, without limitation, all documents evidencing the Accounts and all Contracts) and such books and records to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Grantor). Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and if the Collateral Agent so requests, such Grantor shall legend, in form and manner satisfactory to the Collateral Agent, the Accounts and the Contracts, as well as books, records and documents (if any) of such Grantor evidencing or pertaining to such Accounts and Contracts with an appropriate reference to the fact that such Accounts and Contracts have been assigned to the Collateral Agent and that the Collateral Agent has a security interest therein.

3.2 Direction to Account Debtors; Contracting Parties; etc. Subject to the terms

of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, after giving notice to the relevant Grantor of its intent to do so, if the Collateral Agent so directs any Grantor, such Grantor agrees (i) to cause all payments on account of the Accounts and Contracts to be made directly to the Cash Collateral Account, (ii) that the Collateral Agent may, at its option, directly notify the obligors in its own name or in the name of others with respect to any Accounts and/or under any Contracts to make payments with respect thereto as provided in the preceding clause (i), and (iii) that the Collateral Agent may enforce collection of any such Accounts and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Grantor; provided that, (x) any failure by the Collateral Agent to give or any delay in giving such notice to the relevant Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing. Subject to the terms of the ABL/Term Intercreditor Agreement, without notice to or assent by any Grantor, the Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account toward the payment of the Obligations in the manner provided in Section 6.5 of this Agreement. The reasonable costs and expenses of collection (including reasonable legal fees), whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor. The Collateral Agent shall deliver a copy of each notice referred to in the preceding clause (y) to the relevant Grantor, provided that (x) the failure by the Collateral Agent to so notify such Grantor shall not affect the effectiveness of such notice or the other rights of the Collateral Agent created by this Section 3.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the Credit Agreement has occurred and is continuing.

3.3 Modification of Terms; etc. Except in accordance with such Grantor's ordinary course of business and consistent with reasonable business judgment, or as permitted by Section 3.4 hereof or by the Credit Documents, no Grantor shall rescind or cancel any indebtedness evidenced by any Account, or modify any material term thereof or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Account, or interest therein, without the prior written consent of the Collateral Agent unless such rescissions, cancellations, modifications, adjustments, extensions, renewals, compromises, settlements, releases, or sales would not reasonably be expected to materially adversely affect the value of the Accounts constituting Collateral taken as a whole. Except as otherwise permitted by the Credit Documents, no Grantor will do anything to impair the rights of the Collateral Agent in the Accounts or Contracts.

3.4 Collection. Each Grantor shall endeavor in accordance with historical business practices to cause to be collected from the Account Debtor named in each of its Accounts or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account or under such Contract. Except as otherwise directed by the Collateral Agent after the occurrence and during the continuation of an Event of Default or otherwise required pursuant

to the Credit Agreement, any Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Accounts and Contracts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Grantor finds appropriate in accordance with reasonable business judgment, (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Grantor finds appropriate in accordance with reasonable business judgment and (iii) any other adjustments necessary or desirable in the Grantor's reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable legal fees) of collection, whether incurred by a Grantor or the Collateral Agent, shall be borne by the relevant Grantor.

3.5 Instruments. If any Grantor at any time holds or acquires any Instrument constituting Collateral with a face value in excess of $100,000 individually (other than cheques and other payment instruments received and collected in the ordinary course of business and promptly deposited into a Deposit Account), such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following such acquisition, notify the Collateral Agent thereof, and upon request by the Collateral Agent (subject to the ABL/Term Intercreditor Agreement), promptly deliver such Instrument to the Collateral Agent appropriately endorsed in blank or to the order of the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Instrument received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Instruments in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Instruments pursuant to the terms hereof, upon request of the Collateral Agent, such Instrument shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3 . 6 Grantors Remain Liable Under Accounts . Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Accounts to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Accounts. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3 . 7 Grantors Remain Liable Under Contracts . Anything herein to the contrary notwithstanding, the Grantors shall remain liable under each of the Contracts to observe and perform all of the conditions and obligations to be observed and performed by them thereunder, all in

accordance with and pursuant to the terms and provisions of each Contract. Neither the Collateral Agent nor any other Secured Creditor shall have any obligation or liability under any Contract by reason of or arising out of this Agreement, nor shall the Collateral Agent or any other Secured Creditor be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

3.8. Collection Accounts; Etc.

(a) Annex F hereto accurately sets forth, as of the date of this Agreement, for each Grantor, each Collection Account maintained by such Grantor (including a description thereof and the respective account number), the name of the respective bank with which such Collection Account is maintained, and the jurisdiction of the respective bank with respect to such Collection Account. With respect to each Collection Account, the applicable Grantor shall cause the applicable bank with which such Collection Account is maintained to execute and deliver to the Collateral Agent, within 90 days (or such later date as the Collateral Agent may agree in its sole discretion) after the date of this Agreement or, if later, within 90 days (or such later date as the Collateral Agent may agree in its sole discretion) of the time of the establishment of the respective Collection Account, a Deposit Account Control Agreement in a form reasonably acceptable to the Collateral Agent. Subject to the terms of the ABL/Term Intercreditor Agreement, if any bank with which a Collection Account is maintained refuses or is unable to, or does not, enter into such a "control agreement", then the applicable Grantor shall promptly close the applicable Collection Account and transfer all balances therein to a Collection Account meeting the requirements of this Section 3.8.

(b) After the date of this Agreement, no Grantor shall establish any Collection Account other than Collection Accounts established and maintained with banks and meeting the requirements of preceding clause (a).

3.9 Rights in Letters of Credit . If any Grantor is at any time a beneficiary under a letter of credit with a stated amount of $100,000 or more, such Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the Credit Agreement following the creation of such letter of credit, notify the Collateral Agent thereof and, at the request of the Collateral Agent after an Event of Default has occurred and is continuing, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, use its commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under such letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Agreement after the occurrence and during the continuance of an Event of Default (it being understood that unless an Event of Default has occurred and is continuing such proceeds shall be released to such Grantor).

3 . 1 0 Chattel Paper. Subject to the terms of the ABL/Term Intercreditor Agreement, each Grantor will promptly following any reasonable request by the Collateral Agent,

deliver all of its Chattel Paper with a value in excess of $100,000 to the Collateral Agent, provided that, so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course of business any Chattel Paper received by such Grantor in the ordinary course of business, and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Chattel Paper in its possession and pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. If such Grantor retains possession of any Chattel Paper pursuant to the terms hereof, subject to the terms of the ABL/Term Intercreditor Agreement, upon request of the Collateral Agent, such Chattel Paper shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interests of Bank of America, N.A., as collateral agent, for the benefit of itself and certain Secured Creditors."

3.11 Further Actions. Each Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps, including any and all actions as may be necessary or required relating to its Accounts, Contracts, Instruments and other property or rights which constitute Collateral, as the Collateral Agent may reasonably require for the purpose of obtaining or preserving the full benefits of the security interests, rights and powers herein granted; provided that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account, except as set forth in Section 3.8. On request by the Collateral Agent, the Grantors shall provide the Collateral Agent with details of all motor vehicles which are classified as equipment of the Grantors and all other serial numbered goods to which provisions of the PPSA or regulations or orders under the PPSA regarding serial numbers apply, in each case, having a fair market value in excess of $100,000.

ARTICLE IV

SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY

4 . 1 Additional Representations and Warranties. Annex G hereto sets forth a complete and accurate list of all Recordable Intellectual Property that each Grantor owns. Each Grantor represents and warrants that it is the sole owner of all right, title and interest in all Recordable Intellectual Property listed in Annex G hereto. Each Grantor further warrants that it has no knowledge of any written third party claim received by it within the last twelve (12) months that any such Grantor or aspect of such Grantor's present business operations infringes, misappropriates, dilutes or otherwise violates any Intellectual Property of any other Person other than as has not, and would not, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor represents and warrants that no Recordable Intellectual Property listed in Annex G hereto has been cancelled or is presently being opposed and, to such Grantor's knowledge, all such Recordable Intellectual Property is valid and subsisting, and such Grantor is not aware of any pending third-party claim that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said registrations of

Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said applications of Recordable Intellectual Property will not mature into registrations, other than would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Grantor hereby grants to the Collateral Agent an absolute power of attorney to sign, solely upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office, any domain name registrar, the United States Copyright Office, the Canadian Intellectual Property Office or any other governmental authority in order to effect an assignment of all right, title and interest in any Intellectual Property constituting Collateral, and record the same.

4.2 Infringements. Each Grantor agrees, within 60 days of the end of each fiscal quarter, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available to such Grantor with respect to: (i) any party who such Grantor reasonably believes is infringing, misappropriating, diluting or otherwise violating any of such Grantor's rights in and to any Intellectual Property in any manner that would reasonably be expected to have a Material Adverse Effect, or (ii) any party claiming that any Grantor or the conduct of any Grantor's business infringes, misappropriates, dilutes or otherwise violates any Intellectual Property right of any third party in any manner that would reasonably be expected to have a Material Adverse Effect. Each Grantor further agrees to prosecute diligently in accordance with its reasonable business judgment, any Person infringing, misappropriating, diluting or otherwise violating any Intellectual Property owned by it in any manner that would reasonably be expected to have a Material Adverse Effect.

4.3 Preservation of Trademarks. Each Grantor agrees to use its Trademarks that are material to such Grantor's business during the time in which this Agreement is in effect to the extent required by the laws of Canada or other jurisdiction, as applicable, to maintain its rights in such Trademarks and to take all such other actions as are reasonably necessary to preserve such Trademarks as trademarks or service marks under the laws of Canada or other jurisdiction, as applicable (other than any such Trademarks that are deemed by a Grantor in its reasonable business judgment to no longer be material to the conduct of such Grantor's business).

4.4 Maintenance of Registration. Each Grantor shall, at its own expense, diligently maintain all material Recordable Intellectual Property in accordance with its reasonable business judgment, including but not limited to filing affidavits of use and applications for renewals of registration for all of its material registered Trademarks and timely payment of all post-issuance fees required to maintain in force its rights under each issued Patent or registered Copyright, and shall pay all fees and disbursements in connection therewith and shall not abandon any such registration, filing of affidavit of use or application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Collateral Agent, not to be unreasonably withheld (other than with respect to registrations and applications deemed by such Grantor in its reasonable business judgment to be no longer prudent to pursue).

4.5 Prosecution of Applications. At its own expense, each Grantor, in accordance with its reasonable business judgment, shall diligently prosecute all material applications for (i) Canadian Patents listed in Annex G hereto and (ii) Copyrights listed in Annex G hereto, in each

case for such Grantor and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies (other than applications that are no longer material or are deemed by such Grantor in its reasonable business judgment to no longer be necessary in the conduct of Grantor's business), absent written consent of the Collateral Agent not to be unreasonably withheld.

4.6 After-Acquired Intellectual Property. In the event that any Grantor, either itself or through any agent, employee, licensee or designee, files an application for or acquires any Recordable Intellectual Property following the date hereof, then the provisions of this Agreement shall automatically apply thereto and any such Intellectual Property (other than any Excluded Collateral) shall automatically constitute part of the Collateral and shall be subject to the Collateral Agent's security interest, without further action by any party, and such Grantor shall within 60 days of the end of each fiscal quarter execute and deliver any and all agreements, instruments, documents and papers as necessary to evidence and perfect the Collateral Agent's security interest in such Recordable Intellectual Property provided that such agreements, instruments, documents and papers (the "Writings") are consistent with the terms of and conditions of this Agreement and the Annex H and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such Writings, solely upon the occurrence and during the continuance of an Event of Default and solely for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until this Agreement is terminated.

ARTICLE V

PROVISIONS CONCERNING ALL COLLATERAL

5.1 Protection of Collateral Agent's Security. Except as otherwise permitted by the Secured Debt Agreements, each Grantor will do nothing to impair the rights of the Collateral Agent in the Collateral. Each Grantor or an affiliate on behalf of such Grantor will at all times maintain insurance, at such Grantor's own expense to the extent and in the manner provided in the Secured Debt Agreements. If any Event of Default shall have occurred and be continuing, the Collateral Agent shall, at the time any proceeds of such insurance are distributed to the Secured Creditors, apply such proceeds in accordance with Section 6.5 hereof. Each Grantor assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of such Grantor to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Grantor.

5.2 Warehouse Receipts Non-Negotiable. To the extent practicable, each Grantor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its Inventory, such Grantor shall request that such warehouse receipt or receipt in the nature thereof shall not be a "negotiable" document of title (as such term is used in Section 26(1) of the PPSA as in effect in any relevant jurisdiction or under other relevant law).

5.3 Additional Information. Each Grantor will, at its own expense, from time to time upon the reasonable request of the Collateral Agent, promptly furnish to the Collateral Agent such information with respect to the Collateral (including the identity of the Collateral or such

components thereof as may have been reasonably requested by the Collateral Agent, the value and location of such Collateral, etc.) as may be requested by the Collateral Agent.

5.4 Further Actions. Each Grantor will, at its own expense and upon the reasonable request of the Collateral Agent, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral; provided, that notwithstanding anything herein to the contrary, the Grantors shall not be required to (i) take any action to perfect any security interest in any Collateral under the laws of any jurisdiction outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account, except as set forth in Section 3.8.

5.5 Financing Statements. Each Grantor agrees to file such financing statements, in form reasonably acceptable to the Collateral Agent, as the Collateral Agent may from time to time reasonably request to establish and maintain a valid, enforceable, perfected security interest in the Collateral as provided herein and for the purpose of obtaining and preserving the full benefits of the other rights and security contemplated hereby at least to the extent described in Section 2.1. Each Grantor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Grantor hereby authorizes the Collateral Agent to file any such financing statements without the signature of such Grantor where permitted by law (and such authorization includes describing the Collateral as "all present and after-acquired personal property" of such Grantor or words of similar effect). Each Grantor waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law.

ARTICLE VI

REMEDIES UPON OCCURRENCE OF AN EVENT OF DEFAULT

6.1 Remedies; Obtaining the Collateral Upon Default. Each Grantor agrees that, subject to the terms of the ABL/Term Intercreditor Agreement, if any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent, in addition to any rights now or hereafter existing under applicable law and under the other provisions of this Agreement, shall have all rights as a secured party under any PPSA, any UCC, and such additional rights and remedies to which a secured party is entitled under the laws in effect in all relevant jurisdictions and may:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from such Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter

upon such Grantor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Grantor;

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Accounts and the Contracts) constituting the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent and may exercise any and all remedies of such Grantor in respect of such Collateral;

(iii) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof in accordance with Section 6.2 hereof, or direct such Grantor to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(iv) take possession of the Collateral or any part thereof, by directing such Grantor in writing to deliver the same to the Collateral Agent at any reasonable place or places designated by the Collateral Agent, in which event such Grantor shall at its own expense:

(a) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent;

(b) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent as provided in Section 6.2 hereof; and

(c) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition;

(v) license or sublicense, on a royalty free, rent basis, whether on an exclusive or nonexclusive basis, any Intellectual Property included in the Collateral (in the case of Trademarks, subject to reasonable quality control and subject to those exclusive licenses granted by Grantors in effect on the date hereof and those granted by any Grantor hereafter to the extent permitted by the Credit Agreement) for such term and on such conditions and in such manner as the Collateral Agent shall in its sole judgment determine, it being understood that any such license may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; provided, that any such license shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

(vi) apply any monies constituting Collateral or proceeds thereof in accordance with the provisions of Section 6.5; and

(vii) take any other action as specified in the PPSA;

it being understood that each Grantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Grantor of said obligation. By accepting the benefits of this Agreement and each other Security Document, the Secured Creditors expressly acknowledge and agree that this Agreement and each other Security Document may be enforced only by the action of the Collateral Agent acting upon the instructions of the Required Secured Creditors and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent or the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Agreement and the other Security Documents.

6.2 Remedies; Disposition of the Collateral. To the extent permitted by applicable law, if any Event of Default shall have occurred and be continuing, then any Collateral repossessed by the Collateral Agent under or pursuant to Section 6.1 hereof and any other Collateral whether or not so repossessed by the Collateral Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair at the expense of the relevant Grantor which the Collateral Agent shall reasonably determine to be commercially reasonable. Any such sale, lease or other disposition may be effected by means of a public disposition or private disposition, effected in accordance with the applicable requirements (in each case if and to the extent applicable) of the PPSA and/or such other mandatory requirements of applicable law as may apply to the respective disposition. The Collateral Agent may, without notice or publication, adjourn any public or private disposition or cause the same to be adjourned from time to time by announcement at the time and place fixed for the disposition, and such disposition may be made at any time or place to which the disposition may be so adjourned. To the extent permitted by any such requirement of law, the Collateral Agent may bid for and become the purchaser (and may pay all or any portion of the purchase price by crediting Obligations against the purchase price) of the Collateral or any item thereof, offered for disposition in accordance with this Section 6.2 without accountability to the relevant Grantor. The Collateral Agent may also accept the Collateral in satisfaction of the Obligations. Each Grantor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such disposition or dispositions of all or any portion of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at such Grantor's expense.

6.3 Remedies; Receiver. The Collateral Agent may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral. The Collateral Agent may remove any receiver appointed by it and appoint another

in its place, and may determine the remuneration, acting reasonably, of any receiver, which may be paid from the proceeds of the Collateral in priority to other Obligations. Any receiver appointed by the Collateral Agent shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Collateral Agent under this Agreement, the PPSA or otherwise. Any receiver shall be deemed the agent of the Grantors and the Collateral Agent shall not be in any way responsible for any misconduct or negligence of any receiver.

6.4 Waiver of Claims. Except as otherwise provided in this Agreement, EACH GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE COLLATERAL AGENT'S TAKING POSSESSION OR THE COLLATERAL AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES, and each Grantor hereby further waives, to the extent permitted by law:

(a) all damages occasioned by such taking of possession or any such disposition except any damages which are the direct result of the Collateral Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision);

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(c) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Grantor.

6.5 Application of Proceeds.

(a) Subject to the terms of the ABL/Term Intercreditor Agreement, all moneys collected by the Collateral Agent (or, to the extent the Pledge Agreement or any other Security Document requires proceeds of collateral under such other Security Document to be applied in accordance with the provisions of this Agreement, the Pledgee under, and as defined in, the Pledge Agreement, or collateral agent under such other Security Document) upon any sale or other disposition of the Collateral (or the collateral under the relevant Security Document), together with all other moneys received by the Collateral Agent hereunder (or under the relevant Security Document), in each case, as a result of the exercise of remedies by the Collateral Agent after the occurrence and during the continuance of an Event of Default, shall be applied as follows:

(i) first, to the payment of all amounts owing the Collateral Agent of the type described in clauses (ii), (iii) and (iv) of the definition of "Obligations";

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), to the payment of all amounts owing to any Agent or any of its Affiliates of the type described in clauses (iv) and (v) of the definition of "Obligations";

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Credit Document Obligations shall be paid to the Secured Creditors as provided in Section 6.5(c) hereof, with each Secured Creditor receiving an amount equal to its outstanding Credit Document Obligations or, if the proceeds are insufficient to pay in full all such Credit Document Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iv) fourth, to the extent proceeds remain after the application pursuant to preceding clauses (i) through (iii), inclusive, ratably to any other then remaining unpaid Obligations; and

(v) fifth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iv), inclusive, and following the termination of this Agreement pursuant to Section 9.8(a) hereof, to the relevant Grantor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, " Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Obligations, and the denominator of which is the then outstanding amount of all Obligations.

(c) All payments required to be made hereunder shall be made to the Administrative Agent for the account of the Secured Creditors.

(d) For purposes of applying payments received in accordance with this Section 6.5, the Collateral Agent shall be entitled to rely upon the Administrative Agent for a determination (which the Administrative Agent agrees (or shall agree) to provide upon request of the Collateral Agent) of the outstanding Credit Document Obligations owed to the Secured Creditors.

(e) It is understood that the Grantors are and shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the Obligations.

6.6 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Collateral Agent shall be in addition to every other right, power and remedy specifically given to the Collateral Agent under this Agreement, the other Secured Debt Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time

or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence thereof. No notice to or demand on any Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover reasonable expenses, including reasonable legal fees, and the amounts thereof shall be included in such judgment.

6.7 Discontinuance of Proceedings. In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the relevant Grantor, the Collateral Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

ARTICLE VII

INDEMNITY

7.1 Indemnity and Expense Reimbursement.

(a) The terms of Section 12.01 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

7.2 Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement shall constitute Obligations secured by the Collateral. The indemnity obligations of each Grantor contained in the Credit Agreement shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, Loans made and Letters of Credit issued, under the Credit Agreement and the payment of all other Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

ARTICLE VIII

DEFINITIONS

The following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

"Administrative Agent" shall have the meaning provided in the recitals of this Agreement.

"Agreement" shall mean this Canadian Security Agreement as the same may be amended, modified, restated and/or supplemented from time to time in accordance with its terms.

"Borrower" shall have the meaning provided in the recitals of this Agreement.

"Cash Collateral Account" shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Collateral Agent for the benefit of the Secured Creditors.

"Collateral" shall have the meaning provided in Section 1.1(a) of this Agreement.

"Collateral Agent" shall have the meaning provided in the first paragraph of this Agreement.

"Compliance Certificate" shall mean a certificate delivered in accordance with Section 8.01(d) of the Credit Agreement.

"Contract Rights" shall mean all rights of any Grantor under each Contract, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

"Contracts" shall mean all contracts between any Grantor and one or more additional parties (including, without limitation, any Swap Contracts, contracts for Bank Products, licensing agreements and any partnership agreements, joint venture agreements and limited liability company agreements, and settlement agreements).

"Copyrights" shall mean all: (a) copyrights (whether statutory or common law, whether registered or unregistered and whether published or unpublished), and all copyright registrations and applications therefor, including, without limitation, the copyright registrations and applications in the United States Copyright Office and the Canadian Intellectual Property Office listed on Annex G; (b) rights and privileges arising under applicable law with respect to such copyrights; and (c) renewals and extensions thereof and amendments thereto.

"Credit Agreement" shall have the meaning provided in the recitals of this Agreement.

"Credit Document Obligations" shall have the meaning provided in the definition of "Obligations" in this Article IX.

"Deposit Accounts" shall mean all deposit, demand, time, savings, cash management, passbook or other similar accounts with a bank, credit union, trust company, similar financial institution or other Person and all accounts and sub-accounts relating to any of the foregoing

accounts.

"Equipment" shall mean any "equipment" as such term is defined in the PPSA, and in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, fixtures and motor vehicles now or hereafter owned by any Grantor and any and all additions, substitutions and replacements of any of the foregoing and all Accessions thereto, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" shall mean (x) at any time prior to the time at which all Credit Document Obligations have been paid in full (other than unasserted contingent indemnification obligations) and all Commitments under the Credit Agreement have been terminated, any Event of Default under, and as defined in, the Credit Agreement and (y) at any time thereafter, any payment default on any of the Obligations after the expiration of any applicable grace period.

"Grantor" shall have the meaning provided in the first paragraph of this Agreement.

"Intellectual Property" shall mean all: (a) intellectual property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Software, Trade Secrets, Trademarks, confidential or proprietary technical and business information and other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and Accessions to, and books and records describing or used in connection with, any of the foregoing; (b) rights corresponding to any of the foregoing throughout the world, including as provided by international treaties or conventions, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto; (c) income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect to any of the foregoing, including damages and payments for past and future infringements, misappropriations, or other violations thereof; and (d) rights to sue for past, present, and future infringements, misappropriations, or other violations of any of the foregoing, including the right to settle suits involving claims and demands for royalties owing.

"Inventory" shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof and all Accessions thereto, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production from raw materials through work in process to finished goods, and all products and proceeds of whatever sort and wherever located any portion thereof which may be returned, rejected, reclaimed or repossessed by the Collateral Agent from any Grantor's customers, and shall specifically include all "inventory" as such term is defined in the PPSA.

"Lenders" shall have the meaning provided in the recitals of this Agreement.

"Licenses" means any and all licenses, agreements, consents, orders, franchises and similar arrangements in respect of the licensing, development, use or disclosure of any Intellectual Property.

"Location" of any Grantor, shall mean such Grantor's "location" as determined pursuant to Section 7(3) of the PPSA.

"Obligations" shall mean and include, as to any Grantor, all of the following:

(i) the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations (including all "Obligations" as defined in the Credit Agreement), liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Grantor or any Subsidiary thereof at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), fees, costs and indemnities) of such Grantor owing to the Secured Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and the other Credit Documents to which such Grantor is a party (including, without limitation, in the event such Grantor is a Guarantor, all such obligations, liabilities and indebtedness of such Grantor under its Guaranty) and the due performance and compliance by such Grantor with all of the terms, conditions and agreements contained in the Credit Agreement and in such other Credit Documents (all such obligations, liabilities and indebtedness under this clause (i), being herein collectively called the "Credit Document Obligations");

(ii) any and all sums advanced by the Collateral Agent in order to preserve the Collateral or preserve its security interest in the Collateral;

(iii) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of such Grantor referred to in clause (i) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable legal fees and court costs;

(iv) all amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement under the Credit Agreement; and

(v) all amounts owing to any Agent or any of its Affiliates pursuant to any of the Credit Documents in its capacity as such;

it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

"Ordinary Course Transferees" shall mean: (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 28 of the PPSA as in effect from time to time in the relevant jurisdiction and (ii) any other Person who is entitled to take free of the Lien pursuant to the PPSA as in effect from time to

time in the relevant jurisdiction.

"Patents" shall mean all: (a) industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office or the Canadian Intellectual Property Office listed on Annex H, and (b) reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto.

"Permits" shall mean, to the extent permitted to be assigned by the terms thereof or by applicable law, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any governmental authority or agency.

"PPSA" means the *Personal Property Security Act* (Ontario); provided that, if perfection or the effect of perfection or non-perfection of the priority of the security interests created by this Agreement is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Pro Rata Share" shall have the meaning provided in Section 6.5(b) of this Agreement.

"Proceeds" shall mean all "proceeds" as such term is defined in the PPSA and, in any event, shall also include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Recordable Intellectual Property" means (i) any Patent issued by or applied for issuance with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (ii) any Trademark registered or applied for registration with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (iii) any Copyright registered or applied for registration with the United States Copyright Office or the Canadian Intellectual Property Office and (iv) any material License granting to any Grantor any exclusive right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials pertaining to a Copyright registered with the United States Copyright Office or the Canadian Intellectual Property Office.

"Required Secured Creditors" shall mean (i) at any time when any Credit Document Obligations are outstanding or any Commitments under the Credit Agreement exist, the Required Lenders (or, to the extent provided in Section 12.10 of the Credit Agreement, each of the Lenders).

"Secured Creditors" shall have the meaning provided in the recitals of this Agreement.

"Secured Debt Agreements" shall mean and include this Agreement and the other Credit Documents.

"Software" shall mean all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing.

"Termination Date" shall have the meaning provided in Section 9.8(a) of this Agreement.

"Trade Secret Rights" shall mean the rights of a Grantor in any Trade Secret it holds.

"Trade Secrets" shall mean all confidential and proprietary information, including, without limitation, know-how, show-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, and all similar intellectual, industrial and intangible property.

"Trademarks" shall mean all: (a) trademarks, service marks, certification marks, domain names and associated URLs, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registrations and applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office and the Canadian Intellectual Property Office that are listed on Annex H, (b) all extensions or renewals of any of the foregoing, (c) goodwill associated therewith or symbolized thereby, (d) other assets, rights and interests that uniquely reflect or embody such goodwill, and (e) rights and privileges arising under applicable law with respect to the use of any of the foregoing.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

In addition, the following terms shall have the meanings set forth in the PPSA: Accessions, Account, Certificated Security, Chattel Paper, Consumer Goods, Document of Title, Financial Asset, Futures Account, Futures Contract, Goods, Instrument, Intangible, Investment Property, Money, Security, Securities Account, Security Entitlement, Security Certificate, and Uncertificated Security.

ARTICLE IX

MISCELLANEOUS

9.1 Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Collateral Agent or any Grantor shall not be effective until received by the Collateral Agent or such Grantor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to any Grantor, c/o:

100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Facsimile: (603) 430-7332
Telephone: (603) 610-5805
E-mail: Michael.Wall@bauer.com

(b) if to the Collateral Agent, at:

Gregory Kress
Senior Vice President
Bank of America Business Capital
Bank of America Merrill Lynch
Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
T: (617) 346 – 1181
F: (312) 453 – 4396
gregory.kress@baml.com

(c) if to any Secured Creditor (other than the Collateral Agent), at such address as such Secured Creditor shall have specified in the Credit Agreement;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

9.2 Waiver; Amendment. Except as provided in Section 9.8, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Grantor directly affected thereby (it being

understood that the addition or release of any Grantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Grantor other than the Grantor so added or released) and the Collateral Agent (with the written consent of the Required Secured Creditors).

9 . 3 Obligations Absolute. To the maximum extent permitted by applicable law, the obligations of each Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or any security for any of the Obligations; whether or not such Grantor shall have notice or knowledge of any of the foregoing.

9 . 4 Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 9.8, (ii) be binding upon each Grantor, its successors and assigns; provided, however, that no Grantor shall assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the other Secured Creditors and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by each Grantor herein or in any certificate or other instrument delivered by such Grantor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

9 . 5 Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

9.6 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL .

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN. EACH GRANTOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTE ARISING FROM OR IN RELATION TO THIS AGREEMENT AND EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY ATTORNS TO THE EXCLUSIVE JURISDICTION OF THAT PROVINCE. EACH GRANTOR AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO ARE THE MOST APPROPRIATE AND CONVENIENT FORUM TO SETTLE DISPUTES AND AGREES NOT TO ARGUE TO THE CONTRARY. EACH GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING

BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 9.1 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH SUCH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE COLLATERAL AGENT OR ANY SECURED CREDITOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER PRIOR TO THE TERMINATION DATE HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

9 . 7 Grantor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Collateral Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or with respect to any Collateral.

9.8 Termination; Release.

(a) After the Termination Date, this Agreement shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors (provided that all indemnities set forth herein including, without limitation in Section 8.1 hereof, shall survive such termination) and the Collateral Agent, at the request and expense of the respective Grantor, will promptly execute and deliver to such Grantor a proper instrument or instruments (including PPSA financing change statements or discharges) acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer

and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the date upon which the Total Commitment under the Credit Agreement has been terminated and all Credit Document Obligations have been paid in full, no Note under the Credit Agreement is outstanding and all Loans thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted).

(b) In the event that, at any time prior to the Termination Date, any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 12.10 of the Credit Agreement), and the proceeds of such sale or disposition (or from such release) are applied in accordance with the terms of the Credit Agreement, to the extent required to be so applied, the Collateral Agent, at the request and expense of such Grantor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Grantor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Collateral Agent and has not theretofore been released pursuant to this Agreement. Furthermore, upon the release of any Subsidiary Guarantor from the Subsidiaries Guaranty in accordance with the provisions thereof, such Grantor (and the Collateral at such time assigned by the respective Grantor pursuant hereto) shall be released from this Agreement.

(c) At any time that a Grantor desires that the Collateral Agent take any action to acknowledge or give effect to any release of Collateral pursuant to the foregoing Section 9.8(b), such Grantor shall deliver to the Collateral Agent (and the relevant sub-agent, if any, designated hereunder) a certificate signed by a Responsible Officer of such Grantor stating that the release of the respective Collateral is permitted pursuant to such Section 9.8(b). At any time that either the Borrower or the respective Grantor desires that a Subsidiary of the Borrower which has been released from the Subsidiaries Guaranty be released hereunder as provided in the last sentence of Section 9.8(b), it shall deliver to the Collateral Agent a certificate signed by a Responsible Officer of the Borrower and the respective Grantor stating that the release of the respective Grantor (and its Collateral) is permitted pursuant to such Section 9.8(b).

(d) The Collateral Agent shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in the absence of gross negligence and willful misconduct believes to be in accordance with) this Section 9.8.

9.9 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Collateral Agent. Delivery of an executed signature page

to this Agreement by facsimile, PDF or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Agreement.

9.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.11 The Collateral Agent and the other Secured Creditors . The Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Section 11 of the Credit Agreement. The Collateral Agent shall act hereunder on the terms and conditions set forth herein and in Section 11 of the Credit Agreement.

9.12 Additional Grantors. It is understood and agreed that any Subsidiary Guarantor that desires to become a Grantor hereunder, or is required to execute a counterpart of this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Grantor hereunder by executing a counterpart hereof and delivering same to the Collateral Agent, or by executing and delivering to the Collateral Agent a joinder agreement in form and substance reasonably satisfactory to the Collateral Agent, (y) delivering supplements to Annexes A through H, inclusive, hereto as are necessary to cause such Annexes to be complete and accurate with respect to such additional Grantor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Grantor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Collateral Agent and with all documents and actions required above to be taken to the reasonable satisfaction of the Collateral Agent.

9.13 Amalgamation, Merger. If any Grantor amalgamates or merges with one or more other entities, the Obligations and the security interest granted to the Collateral Agent pursuant to this Agreement shall continue as to the Obligations and the Collateral of such Grantor at the time of amalgamation or merger, and shall extend to the Obligations and the present and future Collateral of the amalgamated or merged entity, and the term Grantor shall extend to the amalgamated or merged entity, all as if the amalgamated or merged entity had executed this Agreement as such Grantor.

9.14 Limitation Periods. To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, each Grantor agrees that: (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law; (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law; (c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Collateral Agent to the Grantors; (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations

by the Credit Parties; and (e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies.

9.15 ABL/Term Intercreditor Agreement. This Agreement and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Agreement, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to any Credit Document and the exercise of any right or remedy in respect of the Collateral by the Collateral Agent (or any Secured Creditor) hereunder or under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement, this Agreement and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, no Credit Party shall be required hereunder or under any Credit Document to take any action with respect to the Collateral that is inconsistent with such Credit Parties' obligations under the ABL/Term Intercreditor Agreement. Prior to the Discharge of Fixed Asset Obligations (as defined in the ABL/Term Intercreditor Agreement), the delivery or granting of "control" (as defined in the PPSA) of any Fixed Asset Collateral (as defined in the ABL/Term Intercreditor Agreement) to the Controlling Fixed Asset Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) shall satisfy any such delivery or granting of "control" requirement hereunder or under any other Credit Document with respect to any Fixed Assets Priority Collateral (as defined in the ABL/Term Intercreditor Agreement) to the extent that such deliver or granting of "control" is consistent with the terms of the ABL/Term Intercreditor Agreement.

[Remainder of this page intentionally left blank; signature pages follow]

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

BAUER PERFORMANCE SPORTS LTD.

By: ____
Name:
Title:

KBAU HOLDINGS CANADA, INC.

By: ____
Name:
Title:

BAUER HOCKEY CORP.

By: ____
Name:
Title:

BPS GREENLAND CORP.

By: ____
Name:
Title:

BPS DIAMOND SPORTS CORP.

By: ____
Name:
Title:

BAUER PERFORMANCE LACROSSE CORP.

By: ____

Name:
Title:

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

By: ____
Name:
Title:

8848076 CANADA CORP.

By: ____
Name:
Title:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX A
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF CHIEF EXECUTIVE OFFICES

Name of Grantor	Address(es) of Chief Executive Office
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]
	[_____]

ANNEX B
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF LOCATIONS OF COLLATERAL

ANNEX C
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF LEGAL NAMES, TYPE OF ORGANIZATION, JURISDICTION OF ORGANIZATION, LOCATION AND ORGANIZATIONAL IDENTIFICATION NUMBERS

Exact Legal Name of Each Grantor	Type of Organization (or, if the Grantor is an Individual, so indicate)	Jurisdiction of Organization	Grantor's Location (for purposes of PPSA)	Grantor's Organization Identification Number (or, if it has none, so indicate)

ANNEX D
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF TRADE AND FICTITIOUS NAMES

Name of Grantor	Trade and/or Fictitious Names
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX E
to
CANADIAN SECURITY AGREEMENT

DESCRIPTION OF CERTAIN SIGNIFICANT TRANSACTIONS OCCURRING WITHIN
ONE YEAR PRIOR TO THE DATE OF THE CANADIAN SECURITY AGREEMENT

Name of Grantor	Description of any Transactions as Required by Section 2.8 of the Canadian Security Agreement
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

ANNEX F
to
SECURITY AGREEMENT

Schedule of Collection Accounts

Name of Grantor	Description of Collection Account	Account Number	Name of Bank	Jurisdiction of Bank (determined in accordance with UCC § 9-304)

ANNEX G
to
CANADIAN SECURITY AGREEMENT

SCHEDULE OF RECORDABLE INTELLECTUAL PROPERTY

1. Registered Trademarks:

TRADEMARK	REGISTRATION DATE	REGISTRATION NO.	OWNER

2. Applications for Trademarks:

TRADEMARK	APPLICATION DATE	SERIAL NO.	APPLICANT

3. Domain Names:

DOMAIN NAME	REGISTRATION DATA	REGISTRANT

4. Patents:

TITLE	ISSUE DATE	PATENT NO.	REGISTERED OWNER

5. Patent Applications:

TITLE	FILING DATE	APPLICATION NO.	APPLICANT

6. Registered Copyrights:

TITLE	DATE FILED	REGISTRATION NO.	REGISTERED OWNER

6. Copyright Applications:

TITLE	DATE FILED	APPLICATION NO.	APPLICANT

7. Exclusive Licenses:

DATE	LICENSOR	LICENSEE	TITLE	APPLICATION / REGISTRATION NO.

ANNEX H
to
CANADIAN SECURITY AGREEMENT

CONFIRMATION OF SECURITY INTEREST IN INTELLECTUAL PROPERTY

TO: CANADIAN INTELLECTUAL PROPERTY OFFICE

DATED: _____ ____, 20___

WHEREAS, [NAME OF GRANTOR] with principal offices at _____ (the " Grantor"), is the owner of the patents, patent applications, trade-marks, trade-mark applications, copyrights, copyright applications, industrial designs and industrial design applications set forth in Schedule I hereto, and the underlying goodwill associated with the business in association with which such patents, trade-marks, copyrights and industrial designs are used (collectively, the "Intellectual Property").

WHEREAS, pursuant to the Credit Agreement dated as of April 15, 2014 (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement") among, *inter alia*, Bauer Performance Sports Ltd., the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent, the Grantor entered into the Canadian Security Agreement dated as of April 15, 2014 (amended, modified, restated and/or supplemented from time to time, the "Security Agreement") in favour of Bank of America, N.A., as collateral agent (in such capacity and together with any successors in such capacity, the "Collateral Agent") for the benefit of the Secured Creditors (as defined in the Security Agreement), at its offices at 225 Franklin Street, Boston, Massachusetts 02110, pursuant to which the Grantor granted a security interest in and to, *inter alia,* the Intellectual Property to the Collateral Agent, for the benefit of the Secured Creditors, to secure the payment and performance of its obligations to the Secured Creditors, including, without limitation, its obligations under or in connection with the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby confirms the grant under the Security Agreement to the Collateral Agent, for the benefit of the Secured Creditors, of a security interest in and to the Intellectual Property.

[signature page follows]

In witness whereof, the Grantor has caused this Confirmation to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF GRANTOR]

By: ____

Name:
Title:

SCHEDULE I
to
CONFIRMATION OF SECURITY INTEREST IN
INTELLECTUAL PROPERTY

TRADEMARKS/PATENTS/COPYRIGHTS/INDUSTRIAL DESIGNS

EXHIBIT G-3

FORM OF HYPOTHEC

[See Attached.]

DEED OF HYPOTHEC AND ISSUE OF MORTGAGE BONDS

ON THE Fifteenth (15th) day of April Two Thousand Fourteen (2014)

B E F O R E Mtre William DION-BERNARD, the undersigned notary for the Province of Québec, practising at the City of Montréal

APPEARED:

BANK OF AMERICA, N.A. , a United States national banking association having a place of business at 225 Franklin Street, Boston, Massachusetts, USA, 02110, the person holding the power of attorney (*fondé de pouvoir*) of the Bondholders (as defined below), herein acting and represented by Joëlle Girard, its authorized representative, duly authorized for the purposes hereof in virtue of a power of attorney, a copy of which remains Scheduled to these presents after having been acknowledged as true and signed for identification by said representative in the presence of the undersigned Notary.

OF THE FIRST PART

AND:

[NAME OF GRANTOR], a corporation governed by the laws of Canada, having its registered office at 199 Bay Street, Commerce Court West, Suite 5300, Toronto, Ontario, M5L 1B9, herein acting and represented by Howard Rosenoff, its authorized representative, duly authorized for the purposes hereof in virtue of a resolution of its board of directors, a certified copy, extract or duplicate of which is Scheduled hereto after having been acknowledged as true and signed for identification by the said representative with and in the presence of the undersigned Notary;

OF THE SECOND PART

WHICH PARTIES DECLARED AS FOLLOWS:

WHEREAS the Grantor (as hereafter defined) has, under its governing law and constating documents, the power to issue, re-issue, sell or pledge debt obligations of the Grantor and to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Grantor, now owned or subsequently acquired, to secure any obligation of the Grantor, and is duly authorized to create and issue Bonds as hereinafter provided and to secure the same as provided for by this Deed;

WHEREAS the Grantor is desirous of creating, issuing and securing Bonds in the manner hereinafter set forth;

WHEREAS all necessary corporate proceedings and resolutions have been duly taken and passed by the Grantor and all other actions have been taken to authorize the execution by the Grantor of this Deed and the issue and securing of the Bonds in conformity therewith;

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS

1. INTERPRETATION

1.1. ABL Credit Agreement Definitions

The capitalized words and expressions used in this Deed or in any agreement, document or instrument supplemental or ancillary hereto, unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, shall have the meanings ascribed to them in the ABL Credit Agreement.

1.2. Other Definitions

The following words and phrases, wherever used in this Deed, if any, or in any deeds supplemental hereto, shall, unless there be something in the context inconsistent therewith, have the following meanings:

1.2.1"**ABL Credit Agreement ": ** shall refer to that certain credit agreement dated as of April 15, 2014 amongst Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey Inc. and each of the other borrowers party thereto, the lenders party thereto from time to time and Bank of America, N.A., as Administrative Agent and Collateral Agent, as the same may be amended, modified, restated and/or supplemented from time to time;

1.2.2"**Administrative Agent**": means BANK OF AMERICA, N.A., in its capacity as Administrative Agent under the ABL Credit Agreement, and any successor Administrative Agent appointed in accordance with the ABL Credit Agreement;

1.2.3"**Attorney**": means BANK OF AMERICA, N.A. duly appointed as *fondé de pouvoir* pursuant to Section 2 hereof and its successors and assigns in the powers and duties

created hereunder;

1.2.4"**Bonds**": means the bonds to be issued hereunder and from time to time outstanding hereunder;

1.2.5"**Bondholders**" or "**holders**": means the Persons for the time being entered in the register hereinafter mentioned as holders of the Bonds and "**Bondholder**" means any one of them;

1.2.6"**Bondholders**' **Instrument**": means an instrument signed in one or more counterparts by the Majority Bondholders;

1.2.7"**Borrower**"**:** means collectively Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey Inc. and each of the other borrowers party to the ABL Credit Agreement and their respective successors and assigns, including, without limitation, any Person resulting from the amalgamation of any of them with any other Person;

1.2.8"**Canadian Dollars**" or "**$**": means the legal currency of Canada;

1.2.9"**Canadian Security Agreement**": means the ABL Canadian security agreement to be entered into on or about April 15, 2014 among, *inter alios*, the Grantor and the Collateral Agent, as the same may be amended, modified, restated and/or supplemented from time to time;

1.2.10"**Capital Stock**": means with respect to any Person, any and all present and future shares in the capital stock of such Person or partnership units, trust units or other units or interests, participations or equivalent rights in the Person's equity or capital, however designated and whether voting or non-voting;

1.2.11"**Cash Collateral Account**": shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Attorney for the benefit of the Bondholders;

1.2.12"**Civil Code**": means the *Civil Code of Québec*;

1.2.13"**Claims**": has the meaning ascribed thereto in Section

4.1.5;

1.2.14"**Collateral Agent**": means BANK OF AMERICA, N.A., in its capacity as Collateral Agent under the ABL Credit Agreement, and any successor Collateral Agent appointed in accordance with the ABL Credit Agreement;

1.2.15"**Copyrights**": shall mean all (i) copyrights (whether statutory or common law, whether registered or unregistered and whether published or unpublished), and all copyright registrations and applications therefor, including, without limitation, the copyright registrations and applications in the United States Copyright Office and the Canadian Intellectual Property Office listed in Annex G to the Canadian Security Agreement; (ii) rights and privileges arising under applicable law with respect to such copyrights; and (iii) renewals and extensions thereof and amendments thereto;

1.2.16"**Counsel**" or "**counsel**": mean a barrister, solicitor, attorney or lawyer or firm of barristers, solicitors, attorneys or lawyers (who may be counsel to the Grantor) acceptable to the Attorney;

1.2.17"**Deposit Accounts**": shall mean all deposit, demand, time, savings, cash management, passbook or other similar accounts with a bank, credit union, trust company, similar financial institution or other Person and all accounts and sub-accounts relating to any of the foregoing accounts;

1.2.18"**Equipment**": shall have the meaning ascribed thereto in Section 4.1.7 hereof;

1.2.19"**Event of Default**": shall have the meaning ascribed thereto in Section 12.1 hereof;

1.2.20"**Excluded Property**": shall have the meaning ascribed thereto in the Canadian Security Agreement;

1.2.21"**Grantor**": means **[NAME OF GRANTOR]** and its successors and assigns, including, without limitation, any Person resulting from the amalgamation of the Grantor with any other Person;

1.2.22"**Hypothec**": shall mean the hypothec granted in Section

4 hereof;

1.2.23"**Hypothecated Property**": means all movable and immovable property of the Grantor, corporeal and incorporeal, tangible and intangible, present and future, of any nature whatsoever and wheresoever situated, subjected or intended to be subjected to the hypothec created or intended to be created herein as set out in Section 4 hereof;

1.2.24"**Immovables**": shall have the meaning ascribed thereto in Section 4.1.1 hereof;

1.2.25"**Intellectual Property Rights**": shall have the meaning ascribed thereto in Section 4.1.8 hereof;

1.2.26"**Inventory**": shall have the meaning ascribed thereto in Section 4.1.4 hereof;

1.2.27"**Leases**": shall have the meaning ascribed thereto in Section 4.1.2 hereof;

1.2.28"**Lenders**": refers collectively to the Lenders under the ABL Credit Agreement and includes their respective successors and permitted assigns;

1.2.29"**Licenses**": shall mean any and all licenses, agreements, consents, orders, franchises and similar arrangements in respect of the licensing, development, use or disclosure of any Intellectual Property Rights;

1.2.30"**Majority Bondholders**": shall mean at any time the Bondholders that hold at least sixty-six and two thirds percent (66 2/3%) in principal amount of the Bonds then issued and outstanding hereunder;

1.2.31"**Notice to Debtors**": shall have the meaning ascribed thereto in Section 8.2 hereof;

1.2.32"**Patents**": shall mean all (i) industrial designs, letters patent, certificates of inventions, all registrations and recordings thereof, and all applications for letters patent, including registrations, recordings and pending applications in the United States Patent and Trademark Office or the Canadian Intellectual Property Office listed in Annex G to the Canadian Security Agreement, and (ii)

reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and all improvements thereto;

1.2.33"**Recordable Intellectual Property**": shall mean (i) any Patent issued by or applied for issuance with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (ii) any Trademark registered or applied for registration with the United States Patent and Trademark Office or the Canadian Intellectual Property Office, (iii) any Copyright registered or applied for registration with the United States Copyright Office or the Canadian Intellectual Property Office and (iv) any material License granting to the Grantor any exclusive right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials pertaining to a Copyright registered with the United States Copyright Office or the Canadian Intellectual Property Office;

1.2.34"**Rent**": shall have the meaning ascribed thereto in Section 4.1.2 hereof;

1.2.35"**Restricted Agreements**": shall have the meaning ascribed thereto in Section 4.2.1 hereof;

1.2.36"**Secured Creditors**": means, collectively, the Lenders, the Attorney, the Administrative Agent, the Collateral Agent and each other Agent;

1.2.37"**Secured Obligations**": shall have the meaning ascribed thereto in Section 6;

1.2.38"**Securities**": shall mean all Capital Stock, all bonds, debentures, bills of exchange, promissory notes, negotiable instruments and other evidences of indebtedness, all options, warrants, investment certificates, mutual fund units, all other instrument or title generally called or included as a security, and all rights with respect to the foregoing;

1.2.39"**Software**": shall mean all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files),

firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing;

1.2.40"**Termination Date**": shall mean the date upon which the Total Commitment under the ABL Credit Agreement has been terminated and all Credit Document Obligations (as defined in the Canadian Security Agreement) have been paid in full, no Note under the ABL Credit Agreement is outstanding and all Loans thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted);

1.2.41"**this Deed**", "**these presents**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions mean or refer to this Deed and to any deed, notice or document supplemental or complementary hereto, including any and every deed of hypothec, application for registration, notice under article 2949 of the Civil Code, or other instrument or charge which is supplementary or ancillary hereto or in implementation hereof and the expression "Section" followed by a number means and refers to the specified section of this Deed;

1.2.42"**Trade Secrets**" shall mean all confidential and proprietary information, including, without limitation, know-how, show-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, and all similar intellectual, industrial and intangible property;

1.2.43"**Trademarks**": shall mean all (i) trademarks, service marks, certification marks, domain names and associated URLs, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, slogans, other source or business identifiers, designs and general intangibles of like nature,

all registrations and recordings thereof, and all registrations and applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office and the Canadian Intellectual Property Office that are listed on Annex G to the Canadian Security Agreement, (ii) all extensions or renewals of any of the foregoing, (iii) goodwill associated therewith or symbolized thereby, (iv) other assets, rights and interests that uniquely reflect or embody such goodwill, and (v) rights and privileges arising under applicable law with respect to the use of any of the foregoing; and

1.2.44"**Writings**": shall have the meaning ascribed thereto in Section 10.6 hereof.

1.3. Gender

Words importing the singular only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine gender; and words importing individuals shall include firms, partnerships and corporations, and vice versa.

1.4. Headings

The division of this Deed into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5. Delays and calculation of delays

The delays provided hereunder are calculated simultaneously with the delays imposed by law and are not in addition to such delays. In the calculation of any period of delay, the period shall exclude the day from which the period commences and the period shall include the last day thereof.

2. APPOINTMENT OF THE *FONDÉ DE POUVOIR*

2.1. Appointment of the *Fondé de Pouvoir*

The Grantor hereby appoints by these presents BANK OF AMERICA, N.A. to act as *fondé de pouvoir* of the Bondholders, as contemplated by article 2692 of the Civil Code, to take, receive, and hold on behalf of, and for the benefit of, each of the Bondholders, all rights and the Hypothec created hereby as continuing security for the

payment of the Bonds from time to time issued and outstanding hereunder, and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder or by a Bondholders' Instrument. Each Bondholder, by becoming a Bondholder, shall be deemed to have accepted and ratified such appointment, which acceptance and ratification shall also bind the successors and assigns of such Bondholder.

2.2. Acceptance of Appointment

BANK OF AMERICA, N.A. hereby accepts its appointment as *fondé de pouvoir* and agrees to take, receive and hold the rights and the Hypothec created hereby and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder or by a Bondholders' Instrument, all as provided in Section 2.1.

2.3. Subsequent Holders of Bonds

Any Person who becomes a Bondholder shall benefit from the provisions hereof and the appointment of the Attorney as *fondé de pouvoir* of the Bondholders and, upon becoming a Bondholder, irrevocably authorizes the Attorney to perform such function. Each holder of a Bond, by its acceptance thereof (a) acknowledges that the first issue of a Bond has been or may be purchased from the Grantor by the Attorney, by underwriting, purchase, subscription or otherwise, and (b) waives any right it may have under Section 32 of *An Act Respecting the Special Powers of Legal Persons* (Québec).

3. CHARACTERISTICS AND ISSUE OF BONDS

3.1. Limit of Issue; Series

The Bonds which are authorized to be at all times outstanding hereunder and entitled to the security hereof are limited to the aggregate principal amount of SIX HUNDRED AND SIXTY MILLION DOLLARS ($ 660,000,000) in lawful money of Canada.

The Bonds may be designated generally as " **25 % Mortgage Demand Bonds** " and may be referred to as the " **Bonds** ". The Bonds shall be payable on demand; the principal amount from time to time outstanding on the Bonds shall bear interest from the date of issue of the respective Bond at the rate of twenty-five percent (25%) per annum, both before and after demand, maturity and judgment, payable on demand; and the Bonds shall be fully registered Bonds. The Bonds issuable hereunder may consist of Bonds having different dates of issue; may consist of Bonds of different denominations; and

may contain such variation of tenor and effect as are incidental to such differences of denomination and form, including variations in the provisions for exchange of Bonds of different forms and denominations. The Bonds shall be numbered in any manner prescribed by the Grantor with the approval of the Attorney.

All of the Bonds shall rank *pari passu* and without preference or priority one over another on maturity or realization of the Hypothec created hereby, notwithstanding the date of their issue or the date of their certification by the Attorney.

3.2. Conditions Precedent to Issue of Bonds

Bonds to the aggregate principal amount referred to in Section 3.1 hereof may forthwith and from time to time be executed by the Grantor and certified by the Attorney upon receipt by or deposit with the Attorney of a written order or orders of the Grantor for the certification and delivery of Bonds, naming the Person or Persons to whom such Bonds are to be delivered.

3.3. Form and Signature of Bonds

3.3.1 The Bonds shall be substantially in the form set out in Section 18 hereof with such variations and additions as may be approved by the Attorney. The Attorney has the power to annotate any Bond in order to make the reference thereon to any supplement to or modification of these presents. Such annotation shall be binding upon the Grantor and the Bondholders as if forming part of the Bond's original wording.

3.3.2 The Bonds shall be issued as fully registered Bonds in the denominations of $1,000 and multiples of $1,000.

3.3.3 The Bonds shall be signed by any officers or directors of the Grantor holding office at the time of signing.

3.4. Certification of the Bonds

No Bonds shall be issued or, if issued, shall be obligatory, or shall entitle the holder to the benefits of this Deed, until it has been certified by or on behalf of the Attorney substantially in the form set out in Section 18 hereof, with such variations and additions as may be approved by the Attorney. Such certificate on any Bond shall be conclusive evidence that such Bond is duly issued and is a valid

obligation of the Grantor. The certificate of the Attorney signed on the Bonds shall not be construed as a representation or warranty by the Attorney as to the validity of this Deed or of the Bonds or their issuance and the Attorney shall in no respect be liable or answerable for the use made of said Bonds or any of them or the proceeds thereof. The certificate of the Attorney signed on the Bonds shall, however, be a representation and warranty by the Attorney that such Bonds have been duly certified by or on behalf of the Attorney pursuant to the provisions of this Deed.

3.5. Registration of Bonds

The Attorney shall cause to be kept a register in which shall be entered the names and addresses of the holders of Bonds and particulars of the Bonds held by them respectively and of all transfers of Bonds. No transfer of Bond shall be valid unless made on the register by the registered holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Attorney, upon compliance with such requirements as the Attorney may prescribe; and such transfer shall have been duly noted on such Bonds by the Attorney.

The Person in whose name any Bond shall be registered in the appropriate register shall be deemed to be the owner thereof for all purposes.

The register referred to in this Section shall at all reasonable times during regular business hours be open for inspection by the Grantor, by the Attorney and by any Bondholder.

The holder of a Bond may at any time and from time to time have such Bond transferred in accordance with this Deed at the place at which a register is kept pursuant to the provisions of this Section, in accordance with such reasonable regulations as the Attorney may prescribe.

The Attorney and/or the Grantor shall not be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Bond and may transfer in accordance with this Deed any Bond on the direction of the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

The Attorney shall, when requested so to do in writing by the Grantor or any Bondholder, furnish the Grantor or such Bondholder, as the

case may be, with a list of the names and addresses of the holders of Bonds showing the principal amounts and serial numbers of such Bonds held by each holder.

3.6. Persons entitled to Payment

Payment of or on account of the principal of any Bonds shall be made only to or upon the order in writing of the Person in whose name such Bonds shall be registered and such payment shall be a good and sufficient discharge to the Attorney and to the Grantor for the amounts so paid.

Where Bonds are registered in more than one name, the principal moneys and interest from time to time payable in respect thereof may be paid by cheque or warrant payable to the order of all such holders, failing written instructions from them to the contrary, and such payment shall be valid discharge to the Attorney for the amounts so paid and to the Grantor.

The holder for the time being of any Bond shall be entitled to the principal moneys and interest evidenced by such Bond, free from all equities or rights of set-off, compensation or counter-claim between the Grantor and the original or any intermediate holder thereof and all Persons may act accordingly and a transferee of a Bond shall, after the appropriate form of transfer is lodged with the Attorney and upon compliance with all other conditions in that behalf required by this Deed or by any conditions contained in such Bond or by law, be entitled to be entered on the register as the owner of such Bond free from all equities or rights of set-off, compensation or counter-claim between the Grantor and its transferor or any previous holder thereof, save in respect of equities of which the Grantor is required to take notice by statute or by order of a court of competent jurisdiction and save as otherwise expressly provided in this Deed.

3.7. Evidence of Ownership

The Grantor and the Attorney may treat the registered holder of any Bonds as the owner thereof without actual production of such Bond for the purpose of any request, requisition, direction, consent, instrument or other document.

3.8. Meaning of “outstanding” and Cancellation of Bonds

Every Bond certified and delivered by the Attorney hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Attorney for cancellation, provided that where a new Bond has

been issued in substitution for a Bond which has been mutilated, lost, stolen or destroyed, only such new Bond shall be counted for the purpose of determining the aggregate principal amount of Bonds or series of Bonds outstanding.

The Attorney shall note on the face of all Bonds that have been cancelled that such Bonds have been cancelled.

3.9. Mutilation, Loss, Theft or Destruction of Bonds

In case any of the Bonds shall become mutilated or be lost, stolen or destroyed, the Grantor, in its discretion, may issue, and thereupon the Attorney shall certify and deliver, a new Bond upon surrender and cancellation of the mutilated Bond, or in the case of a lost, stolen or destroyed Bond, in lieu of and in substitution for the same, and the substituted Bond shall be in a form approved by the Attorney and shall be entitled to the benefits of this Deed equally with all other Bonds without preference or priority one over another. In case of loss, theft or destruction, the applicant for a substituted Bond shall furnish the Grantor and the Attorney such evidence of such ownership and loss, theft or destruction as shall be satisfactory to each of them in their discretion, and shall also furnish indemnity satisfactory to each of them in their discretion and shall pay all expenses incidental to the issuance of such substituted Bond.

3.10. Exchanges of Bonds; Stamp Tax

Bonds of any denomination may be exchanged for Bonds of any other authorized denomination or denominations, any such exchange to be for Bonds of an equivalent aggregate principal amount remaining outstanding. Exchanges of Bonds may be made at the offices of the Attorney where registers are maintained for the Bonds pursuant to the provisions of this Deed.

Except as herein otherwise provided, in every case of exchange of Bonds of any denomination or form for other Bonds and for any transfer of Bonds, the Attorney may make a sufficient charge to reimburse it for any stamp tax or other governmental charge required to be paid, and in addition a reasonable charge for its services for each Bond exchanged or transferred and a reasonable charge for every Bond issued upon such exchange or transfer, and payment of the said charges shall be made by the party requesting such exchange or transfer as a condition precedent thereto.

3.11. Place of Payment

The principal of all Bonds, interest thereon and all payments which may become payable at any time thereon, whether at maturity or otherwise, shall be payable to the respective registered holders thereof at the office of the Attorney in the City of Montréal or at such address as may be mentioned in the Bonds, without any presentment of such Bonds for payment of interest thereon and without the necessity of any notation of any payment being made thereon.

3.12. Securities Transfer Legislation

All Bonds issued hereunder shall be deemed to be securities for the purposes of securities transfer legislation, including, without limitation, the *Act respecting the transfer of securities and the establishment of security entitlements* (Québec).

3.13. Pledge of Bonds

All or any of the Bonds issued hereunder may be pledged, hypothecated or charged from time to time by the Grantor to secure any obligations of the Grantor or any other Person and, when such Bonds are redelivered to the Grantor upon payment or satisfaction of such indebtedness or obligations, such Bonds shall be cancelled and returned to the Grantor or its counsel.

4. HYPOTHECATED PROPERTY

4.1. Description of Hypothecated Property

The Grantor hereby hypothecates in favour of the Attorney, for the amount provided for in Section 5, the universality of all of its present and future movable and immovable property, corporeal and incorporeal, tangible and intangible, now owned or hereafter acquired, the whole including, without limitation, the following universalities of present and future property:

4.1.1Immovable Property

All present and future immovable property of the Grantor, and all rights of the Grantor in any immovable property, together with all property which may be or become incorporated therewith or permanently physically attached or joined thereto so as to ensure the utility thereof or which is used by the Grantor for the operation of its enterprise or the pursuit of its activities (including heating

and air conditioning apparatus and watertanks) and all other property which becomes immovable by the effect of law, including by way of accession, and all real rights relating to or attaching to such immovable property (collectively, the "**Immovables**").

4.1.2 Rentals, Revenues and Leases of Immovables

All present and future leases, agreements to lease, offers to lease, options to lease, sub-leases and other rights to occupy premises including any right of emphyteusis, use or occupancy ("**Leases**") in or of the Immovables or any part thereof, and all present and future rents, revenues, annuities and other claims arising out of any Leases or other rights or contracts in respect of the Immovables, including, without limitation, any indemnity which may be payable pursuant to the *Bankruptcy and Insolvency Act* or analogous legislation or proceedings in respect of any Lease, (collectively " **Rent**") and the continuing right to demand, sue for, recover, receive, and give receipts for such Rent.

4.1.3 Insurance

Indemnities or proceeds now or hereafter payable under any present or future contract of insurance on or in respect of the Immovables, the Rent, any of the other Hypothecated Property.

4.1.4 Inventory

All present and future property in stock and inventory of any nature and kind of the Grantor whether in its possession, in transit or held on its behalf, including work in process, goods, property in reserve, raw materials, finished goods or other materials, goods manufactured or transformed, or in the process of being so, by the Grantor or by others, packaging materials, property held by a third party under a lease, a leasing agreement, franchise or license agreement or any other agreement entered into with or on behalf of the Grantor, property evidenced by bill of lading, animals, wares, mineral substances, hydrocarbons and other products of the soil and all fruits thereof from the time of their extraction, as well as any other property held for sale, lease or processing in the manufacture or transformation of property intended for

sale, lease or use in providing a product or service by the Grantor (hereinafter the " **Inventory**").

Property having formed part of the Inventory which is alienated by the Grantor in favour of a third person but in respect of which the Grantor has retained title pursuant to a reservation of ownership provision, shall remain charged by the Hypothec until title is transferred; any Inventory the ownership of which reverts to the Grantor pursuant to the resolution or resiliation of any agreement or following its repossession is also subject to the Hypothec.

4.1.5Claims and Other Movable Property

4.1.5.1. Claims, Receivables and Book Debts

All of the Grantor's present and future claims, debts, demands and choses in action, whatever their cause or nature (including, without limitation, all Rent), whether or not they are certain, liquid or exigible, whether or not evidenced by any title (and whether or not such title is negotiable), bill of exchange or draft, whether litigious or not, whether or not they have been previously or are to be invoiced, whether or not they constitute book debts or trade accounts receivable, including, without limitation, all customer accounts, accounts receivable, rights of action, demands, judgments, contract rights, debts, tax refunds, amounts on deposit, bank accounts, the Deposit Accounts, the Cash Collateral Account, cash, proceeds of sale, assignment or lease of any property, rights or titles, indemnities payable under any contract of insurance of property, of Persons, or of liability insurance, proceeds of expropriation, any sums owing to the Grantor in connection with interest or currency exchange contracts and other treasury or hedging instruments, management of risks or derivative instruments existing in favour of the Grantor (SWAPS), and the Grantor's rights in the credit balance of accounts held for its benefit by any financial

institution or any other Person.

4.1.5.2. Rights of Action

All of the Grantor's rights under contract with third parties (including without limitation under the Leases) as well as the Grantor's rights of action and claims against third persons.

4.1.5.3. Accessories

All of the hypothecs, security interests, security agreements, guarantees, suretyships, notes, acceptances and accessories to the claims and rights described above and other rights relating thereto (including, without limitation, the rights of the Grantor in its capacity as seller under any instalment sale, with respect to the claims hereby hypothecated which are the result of such sale).

4.1.5.4. No Exclusions

A right or a claim shall not be excluded from the Hypothecated Property by reason of the fact that (i) the debtor thereof is domiciled outside the Province of Quebec or (ii) the debtor thereof is an Affiliate (as such term is defined in the ABL Credit Agreement) of the Grantor (regardless of the law of the jurisdiction of its incorporation) or (iii) such right or claim is not related to the operations of the Grantor or (iv) such right or claim is not related to the ordinary course of business of the Grantor.

(The property referred to in this Section 4.1.5 is collectively referred to herein as the " **Claims**".)

4.1.6Securities

All present and future Capital Stock and other Securities, including, without limitation, all Securities issued or received in substitution, renewal, addition or replacement

of Securities, or issued or received on the purchase, redemption, conversion, cancellation or other transformation of Securities or issued or received by way of dividend or otherwise to holders of Securities, and all present and future instruments, bills of lading, warehouse receipts, documents or other evidences of title of the Grantor.

4.1.7Equipment and Road Vehicles

All present and future machinery, equipment, implements, furniture, appliances, supplies, apparatus, tools, patterns, models, dies, blueprints, fittings, furnishings, fixtures, machinery, vehicles and rolling stock of the Grantor, including additions and accessories and spare parts (the "**Equipment**").

4.1.8Intellectual Property Rights

All of the Grantor's present and future rights in any (i) intellectual property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, Software, Trade Secrets, industrial design, goodwill, invention, trade secret, know-how, plant breeders' right, topography of integrated circuits, confidential or proprietary technical and business information and other data or information, software and databases and in any other intellectual property right (registered or not) and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing; (ii) rights corresponding to any of the foregoing throughout the world, including as provided by international treaties or conventions, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto; (iii) income, fruits, revenues, royalties, damages, claims, and payments now or hereafter due or payable under and with respect to any of the foregoing, including damages and payments for past and future infringements, misappropriations, or other violations thereof; and (iv) rights to sue for past, present, and future infringements, misappropriations, or other violations of any of the foregoing, including the right to settle suits involving claims and demands for royalties

owing (the "**Intellectual Property Rights**").

4.1.9Fruits and Revenues

All cash, profits, proceeds, fruits, dividends, rights and revenues which are or may be produced by or declared or distributed with respect to the Hypothecated Property or in exchange thereof as well as the proceeds of the Hypothecated Property, including without limitation any property, equipment, negotiable instrument, bill, commercial paper, security, money, compensation for expropriation remitted, given in exchange or paid pursuant to a sale, repurchase, distribution or any other transaction with respect to the Hypothecated Property (provided that nothing herein shall be interpreted as permitting the Grantor to dispose of any of the Hypothecated Property in contravention of the provisions of this Deed or the ABL Credit Agreement).

4.1.10Records and Other Documents

All present and future titles, documents, records, data, vouchers, invoices, accounts and other documents evidencing or related to the Hypothecated Property described above, including, without limitation, computer programs, disks tapes and other means of electronic communications as well as the rights of the Grantor to recover such property from third parties, receipts, catalogues, client lists, directories and other similar property.

4.1.11Replacement Property

All Hypothecated Property which is acquired, transformed or manufactured after the date of this Deed shall be charged by the Hypothec, (i) whether or not such property has been acquired in replacement of other Hypothecated Property which may have been alienated by the Grantor in the ordinary course of business, (ii) whether or not such property results from a transformation, mixture or combination of any Hypothecated Property, and (iii) in the case of Securities, whether or not they have been issued pursuant to the purchase, redemption, conversion or cancellation or any other transformation of the Securities charged hereunder and without the Attorney being required to register or re-

register any notice whatsoever, the object of the Hypothec being a universality of present and future property.

4.2. Restricted Agreements and Excluded Property

4.2.1 To the extent that granting a hypothec in any leases, licences, instruments, contracts, intangibles, permits, governmental licenses, provincial, territorial or local franchises, charters or authorizations or other contracts or agreements (other than a Claim or a chattel paper) with or issued by Persons other than the Borrower or Subsidiaries of the Borrower or an Affiliate thereof (collectively, "**Restricted Agreements**") would invalidate or result in a violation, breach, default or termination of such Restricted Agreements or create a right of termination in favour of, or require the consent of, any party thereto (in each case other than the Borrower or a Subsidiary Guarantor) (in each case, except to the extent any such violation, breach, default, termination, right or consent would be rendered ineffective under the Civil Code or other applicable law), the Hypothec herein created on any Restricted Agreement is under the suspensive condition such that it shall only take effect (i) at such time as Grantor's grant of a hypothec in such Restricted Agreement no longer results in a violation, breach, default or termination thereof or thereunder or no longer creates such right of termination or such right has been waived requires such consent or such consent has been obtained, (ii) to the extent severable, in respect of any portion of such Restricted Agreement that does not result in a respective violation, breach, default, termination or right or consent thereof or thereunder and (iii) in respect of any proceeds or receivables of such Restricted Agreement that are not Excluded Property.

4.2.2 Notwithstanding anything contained herein to the contrary, the Attorney hereby irrevocably renounces to all rights and recourses of a hypothecary creditor, including the right to follow contemplated in Article 2700 and Article 2745 of the Civil Code or effect a filing pursuant to Article 2949 of the Civil Code, with respect to the Excluded Property for as long as such property remains Excluded Property.

5. AMOUNT OF THE HYPOTHEC

The amount for which the Hypothec is granted is a principal amount of SIX HUNDRED AND SIXTY MILLION DOLLARS ($660,000,000) in lawful money of Canada, plus interest thereon from the date hereof at the rate of twenty-five percent (25%) per annum, calculated semi-annually, not in advance, to secure the due payment of the Secured Obligations.

6. SECURED OBLIGATIONS

The Hypothec is granted to secure the due payment of the principal of the Bonds and all interest thereon, together with the payment of all sums due or to become due by the Grantor under or pursuant to this Deed and the due performance and observance by the Grantor of all obligations provided for under or pursuant to this Deed, including all fees and expenses incurred by or on behalf of the Attorney in the exercise of its rights and powers hereunder (collectively, the "**Secured Obligations**").

Any future obligation hereby secured shall be deemed to be one in respect of which the Grantor has once again obligated itself hereunder according to the provisions of article 2797 of the Civil Code.

7. ADDITIONAL PROVISIONS PERTAINING TO THE HYPOTHEC ON RENTAL INCOME AND LEASES

With respect to any of the Immovable (which does not constitute Excluded Property) generating Rent:

7.1. Information regarding Leases

The Grantor shall provide the Attorney, upon request, with a list containing the name of all tenants of any of the Immovables and details as to their leases.

7.2. Action to Recover Rents

The Attorney shall have the right, after the occurrence and of an Event of Default which is continuing, to bring an action for recovery of Rents provided the Attorney impleads the Grantor, it being understood that the Attorney shall be under no obligation to exercise such right and shall not be liable for any loss or damage which may result from its failure not to collect such Rents. The Attorney shall be at liberty to deduct from any Rents collected collection fees amounting to ten percent (10%) of all collected Rents as well as any

commission usually charged by the Attorney for the collection of Rents, miscellaneous costs and expenses (copies, service fees, legal counsel fees and others, opening files, surveillance fees, execution fees or fees for cancellation of lease) incurred as a result of such collection.

8. ADDITIONAL PROVISIONS TO THE HYPOTHEC ON CLAIMS

8.1. Maintenance of Records

The Grantor will keep and maintain proper books and records of its Claims, in which full, true and correct entries in conformity with generally accepted accounting principles and all Requirements of Law shall be made of all such Claims, and the Grantor will make the same available on its premises to officers and designated representatives of the Attorney for inspection in accordance with the terms and conditions set forth in the ABL Credit Agreement. Upon the occurrence and during the continuance of an Event of Default and at the request of the Attorney, the Grantor shall, at its own cost and expense, deliver all tangible evidence of its Claims (including, without limitation, all documents evidencing the Claims) and such books and records to the Attorney or to its representatives (copies of which evidence and books and records may be retained by the Grantor). Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default and if the Attorney so requests, the Grantor shall legend, in form and manner satisfactory to the Attorney, the Claims, as well as books, records and documents (if any) of the Grantor evidencing or pertaining to such Claims with an appropriate reference to the fact that such Claims have been hypothecated and, if applicable, assigned to the Attorney and that the Attorney has a hypothec therein.

8.2. Direction to Account Debtors; Contracting Parties; etc.

Subject to the terms of the ABL/Term Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, after giving notice to the Grantor of its intent to do so, if the Attorney so directs the Grantor, the Grantor agrees (i) to cause all payments on account of the Claims to be made directly to the Cash Collateral Account, (ii) that the Attorney may, at its option, directly notify the debtors of such claims in its own name or in the name of others with respect to any Claims to make payments with respect thereto as provided in the preceding clause (i) (a "**Notice to Debtors**"), and (iii) that the Attorney may enforce collection of any such Claims and may adjust, settle or compromise the amount of payment thereof, in the

same manner and to the same extent as the Grantor; provided that, (x) any failure by the Attorney to give or any delay in giving such notice to the Grantor shall not affect the effectiveness of such notice or the other rights of the Attorney created by this Section 8.2 and (y) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the ABL Credit Agreement has occurred and is continuing. Subject to the terms of the ABL/Term Intercreditor Agreement, without notice to or assent by the Grantor, the Attorney may, upon the occurrence and during the continuance of an Event of Default, apply any or all amounts then in, or thereafter deposited in, the Cash Collateral Account toward the payment of the Secured Obligations in the manner provided in Section 13.10 of this Deed. The reasonable costs and expenses of collection (including reasonable legal fees), whether incurred by the Grantor or the Attorney, shall be borne by the Grantor. The Attorney shall deliver a copy of each Notice to Debtors to the Grantor, provided that (i) the failure by the Attorney to so notify the Grantor shall not affect the effectiveness of such notice or the other rights of the Attorney created by this Section 8.2 and (ii) no such notice shall be required if an Event of Default of the type described in Section 10.01(e) of the ABL Credit Agreement has occurred and is continuing.

8.3. Modification of Terms; etc.

Except in the Grantor's ordinary course of business and consistent with reasonable business judgment, or as permitted by Section 8.4 hereof or by the Credit Documents, the Grantor shall not rescind or cancel any indebtedness evidenced by any Claim, or modify any material term thereof or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Claim, or interest therein, without the prior written consent of the Attorney unless such rescissions, cancellations, modifications, adjustments, extensions, renewals, compromises, settlements, releases, or sales would not reasonably be expected to materially adversely affect the value of the Claims constituting Hypothecated Property taken as a whole. Except as otherwise permitted by the ABL Credit Documents, the Grantor will not do anything to impair the rights of the Attorney in the Claims.

8.4. Collection

The Grantor shall endeavor in accordance with historical business practices to cause to be collected from the debtor or obligor, as the case may be, named in each of its Claims, as and when due (including,

without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Claim, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Claim. The Attorney hereby authorizes the Grantor to collect the Claims. Such authorization may be withdrawn by the Attorney upon the occurrence of an Event of Default which is continuing in accordance with what is provided for by law. Except as otherwise directed by the Attorney after the occurrence and during the continuation of an Event of Default or otherwise required pursuant to the ABL Credit Agreement, the Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Claims (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which the Grantor finds appropriate in accordance with reasonable business judgment, (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which the Grantor finds appropriate in accordance with reasonable business judgment and (iii) any other adjustments necessary or desirable in the Grantor's reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable legal fees) of collection, whether incurred by the Grantor or the Attorney, shall be borne by the Grantor.

8.5. Claims Evidenced by Titles of Indebtedness

If the Grantor at any time holds or acquires any Claim evidenced by a title of indebtedness constituting Hypothecated Property with a face value in excess of $100,000 individually (other than cheques and other payment instruments received and collected in the ordinary course of business and promptly deposited into a Deposit Account), the Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the ABL Credit Agreement following such acquisition, notify the Attorney thereof, and upon request by the Attorney (subject to the ABL/Term Intercreditor Agreement), promptly deliver such title of indebtedness to the Attorney appropriately endorsed in blank or to the order of the Attorney, provided that, so long as no Event of Default shall have occurred and be continuing, the Grantor may retain for collection in the ordinary course of business any title of indebtedness received by the Grantor in the ordinary course of business, and the Attorney shall, promptly upon request of the Grantor, make appropriate arrangements for making any title of indebtedness in its possession and pledged by the Grantor available to the Grantor for purposes of

presentation, collection or renewal. If the Grantor retains possession of any title of indebtedness pursuant to the terms hereof, upon request of the Attorney, such title of indebtedness shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the hypothec of Bank of America, N.A., as *fondé de pouvoir*, for the benefit of itself and certain Secured Creditors."

8.6. Grantor Remains Liable Under Claims

Anything herein to the contrary notwithstanding, the Grantor shall remain liable under each of the Claims to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Claim. Neither the Attorney nor any Bondholder shall have any obligation or liability under any Claim (or any agreement giving rise thereto) by reason of or arising out of this Deed, nor shall the Attorney or any Bondholder be obligated in any manner to perform any of the obligations of the Grantor under or pursuant to any Claim (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Claim (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

8.7. Collection Accounts; Etc.

8.7.1 Annex F to the Canadian Security Agreement accurately sets forth, as of the date of this Deed, for the Grantor, each Collection Account maintained by the Grantor (including a description thereof and the respective account number), the name of the respective bank with which such Collection Account is maintained, and the jurisdiction of the respective bank with respect to such Collection Account. With respect to each Collection Account, the Grantor shall cause the applicable bank with which such Collection Account is maintained to execute and deliver to the Attorney, within 90 days (or such later date as the Attorney may agree in its sole discretion) after the date of this Deed or, if later, within 90 days (or such later date as the Attorney may agree in its sole discretion) of the time of the establishment of the respective Collection Account, a Deposit Account Control Agreement in a form reasonably acceptable to the Attorney. Subject to the terms of the ABL/Term Intercreditor Agreement, if any bank with which a Collection Account is maintained refuses or is unable to, or does not, enter into such a "control agreement", then the Grantor shall promptly close the applicable Collection Account and transfer all balances therein to a Collection Account meeting the requirements of this Section 8.7.

8.7.2 After the date of this Deed, the Grantor shall not establish any Collection Account other than Collection Accounts established and maintained with banks and meeting the requirements of preceding Section 8.7.1.

8.8. Rights in Letters of Credit

If the Grantor is at any time a beneficiary under a letter of credit with a stated amount of $100,000 or more, the Grantor shall, on or prior to the date of the required delivery of the Compliance Certificate pursuant to the ABL Credit Agreement following the creation of such letter of credit, notify the Attorney thereof and, at the request of the Attorney after an Event of Default has occurred and is continuing, the Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Attorney, use its commercially reasonable efforts to (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Attorney of the proceeds of any drawing under such letter of credit or (ii) arrange for the Attorney to become the transferee beneficiary of such letter

of credit, with the Attorney agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Deed after the occurrence and during the continuance of an Event of Default (it being understood that unless an Event of Default has occurred and is continuing such proceeds shall be released to the Grantor).

8.9. Further Actions

The Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Attorney from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, publications, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps, including any and all actions as may be necessary or required relating to its Claims, instruments, titles of indebtedness and other property or rights which constitute Hypothecated Property, as the Attorney may reasonably require for the purpose of obtaining or preserving the full benefits of the Hypothec, rights and powers herein granted; provided that notwithstanding anything herein to the contrary, the Grantor shall not be required to (i) take any action to render opposable to third parties any hypothec or security interest in Hypothecated Property outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account, except as set forth in Section 8.7. On request by the Attorney, the Grantor shall provide the Attorney with details of all motor vehicles which are classified as equipment of the Grantor and all other serial numbered goods to which provisions of the Civil Code or regulations or orders under the Civil Code regarding serial numbers apply, in each case, having a fair market value in excess of $100,000.

9. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

The Grantor represents and warrants as of the date hereof, and, until the Termination Date, covenants, which representations, warranties and covenants shall survive execution and delivery of this Deed, as follows:

9.1. To pay principal and interest

To well, duly and punctually pay or cause to be paid to every holder of every Bond the principal thereof, premium, if any, and interest accrued thereon (including, in case of default, interest on the amount in default) and all other monies payable to the Bondholders or

hereunder at the dates and places, in the currencies and in the manner mentioned herein, in the Bonds and in any pledge thereof in favour of any Bondholders.

9.2. Necessary Publication Action

The Hypothec is a valid hypothec upon the Grantor's right, title and interest in and to the Hypothecated Property. Upon the publication of the present Deed at the Register of Personal and Movable Real Rights, the Land Register of Québec and at the Canadian Intellectual Property Office, as the case may be, the Hypothec will be duly opposable to third parties, provided, however, that additional filings may be necessary to render the Hypothec created herein opposable to third parties in any Recordable Intellectual Property and Immovables acquired after the date hereof.

Upon the actions taken under this Section 9.2, the Hypothec will be superior to and prior to all other Liens of all other Persons (other than Permitted Liens), and, subject to the ABL/Term Intercreditor Agreement and any Additional Intercreditor Agreement, enforceable as such as against all other Persons (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) other than a transferee which acquires Hypothecated Property in the ordinary course of business.

9.3. No Liens

The Grantor is, and as to all Hypothecated Property acquired by it from time to time after the date hereof, the Grantor will be the owner of, or otherwise have the right to use, all Hypothecated Property free from any Lien of any Person (other than Permitted Liens), and the Grantor shall, at its own expense, take all commercially reasonable actions necessary to defend the Hypothecated Property against all claims and demands of all Persons at any time claiming the same or any interest therein materially adverse to the Attorney.

9.4. Other Registrations

As of the date hereof, the Grantor has not filed, nor authorized the publication or filing by any third party of any Register of Personal and Movable Real Rights or the Land Register of Québec registration (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any

kind in the Hypothecated Property (other than the registrations filed in respect of Permitted Liens), and so long as the Termination Date has not occurred, the Grantor will not authorize to be filed in any public office any registration (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Hypothecated Property, except registrations published or filed or to be filed in respect of and covering the Hypothec granted hereby or in connection with Permitted Liens.

9.5. Domicile and Registered Office

The domicile and the registered office of the Grantor is, on the date of this Deed, located at the address set forth in the appearance hereof. During the period of the four calendar months preceding the date of this Deed, the domicile and the registered office of the Grantor has not been located at any address other than that indicated in the appearance hereof in accordance with the immediately preceding sentence, in each case unless such other address has been disclosed to the Attorney.

9.6. Locations of Hypothecated Property

All Inventory, Equipment and other tangible personal property (having a fair market value in excess of $100,000 with respect to Hypothecated Property comprising Equipment only) held on the date hereof, or held at any time during the four calendar months prior to the date hereof, by the Grantor, other than Inventory in transit or Equipment moved in the ordinary course of business within the jurisdictions shown on Annex B to the Canadian Security Agreement, is located at one of the locations shown on Annex B to the Canadian Security Agreement. The Grantor shall not permit any of its Inventory, Equipment or other tangible personal property to be located out of the jurisdictions shown on Annex B to the Canadian Security Agreement without providing the Attorney with thirty (30) days advance written notice and promptly taking all action reasonably requested by the Attorney to maintain the hypothec in the Hypothecated Property intended to be granted hereby at all times fully opposable to third parties to the extent described in Section 9.2 and in full force and effect.

9.7. Legal Name; Type of Organization; Jurisdiction of Organization; Location; Changes Thereto; etc.

As of the Closing Date, the exact legal name of the Grantor, the type of organization of the Grantor, the jurisdiction of organization of the Grantor and the organization identification number (if any) of the

Grantor are listed on Annex C to the Canadian Security Agreement. The Grantor shall not change its legal name, its type of organization and its jurisdiction of organization from that used on Annex C to the Canadian Security Agreement, and the Grantor shall not change the location of its domicile and registered office from the address set forth in the appearance hereof except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve the Grantor changing its jurisdiction of organization or domicile, registered office from Canada or a province thereof to a jurisdiction of organization or domicile, registered office, as the case may be, outside Canada or a province thereof) if (i) it shall have given to the Attorney written notice of each change to the information listed on Annex C to the Canadian Security Agreement and of each change of the location of its registered office from the address set forth in the appearance hereof (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex C to the Canadian Security Agreement which shall update all information contained therein within five (5) Business Days of such change (or such longer period as agreed to by the Attorney) and (ii) in connection with such change or changes, it shall take all action reasonably requested by the Attorney to maintain the Hypothec of the Attorney in the Hypothecated Property intended to be granted hereby at all times fully opposable to third parties to the extent described in Section 9.2 and in full force and effect.

9.8. Trade Names; Etc.

The Grantor has not and does not operate in any jurisdiction under, or in the preceding five (5) years has not operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name as specified in Annex D to the Canadian Security Agreement and such other trade or fictitious names as are listed on Annex D to the Canadian Security Agreement.

9.9. Certain Significant Transactions

During the one year period preceding the date of this Deed, the Grantor shall not have merged, amalgamated or consolidated with or into any Person, and no Person shall have liquidated into, or transferred all or substantially all of its assets to, the Grantor, in each case except the mergers, amalgamations, and consolidations contemplated by the Transaction and the mergers, amalgamations and consolidations described in Annex E to the Canadian Security Agreement. With respect to any transactions so described in Annex

E to the Canadian Security Agreement, the Grantor shall have furnished such information with respect to the Person (and the assets of the Person and locations thereof) which merged with or into or amalgamated or consolidated with the Grantor, or was liquidated into or transferred all or substantially all of its assets to the Grantor, and shall have furnished to the Attorney such security searches as may have been reasonably requested with respect to such Person and its assets, to establish that no hypothecs or Liens (excluding Permitted Liens) continues to be opposable to third parties on the date hereof with respect to any Person described above (or the assets transferred to the Grantor by such Person).

9.10. Hypothecated Property in the Possession of Bailee

If any Inventory or other tangible movable property, the aggregate fair market value of which is equal to or greater than $1,000,000, are at any time in the possession of a bailee or depositary, the Grantor shall concurrently with the delivery of the next Compliance Certificate provided under the ABL Credit Agreement furnish the Attorney with written notice thereof and, if requested by the Attorney after an Event of Default has occurred and is continuing, shall use its reasonable efforts to promptly obtain an acknowledgment from such bailee or depositary, in form and substance reasonably satisfactory to the Attorney, that the bailee or depositary holds such Hypothecated Property for the benefit of the Attorney and shall act upon the instructions of the Attorney, without the further consent of the Grantor, subject to the ABL/Term Intercreditor Agreement. The Attorney agrees with the Grantor that the Attorney shall not give any such instructions unless an Event of Default has occurred and is continuing and upon notice from the Attorney of its intent to exercise remedies.

9.11. Recourse

This Deed is made with full recourse to the Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of the Grantor contained herein and otherwise in writing in connection herewith.

10. SPECIAL PROVISIONS CONCERNING INTELLECTUAL PROPERTY RIGHTS

10.1. Additional Representations and Warranties

Annex G to the Canadian Security Agreement sets forth a complete and accurate list of all Recordable Intellectual Property that the

Grantor owns. The Grantor represents and warrants that it is the sole owner of all right, title and interest in all Recordable Intellectual Property listed in Annex G to the Canadian Security Agreement. The Grantor further warrants that it has no knowledge of any written third party claim received by it within the last twelve (12) months that the Grantor or aspect of the Grantor's present business operations infringes, misappropriates, dilutes or otherwise violates any Intellectual Property Right of any other Person other than as has not, and would not, reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The Grantor represents and warrants that no Recordable Intellectual Property listed in Annex G to the Canadian Security Agreement has been cancelled or is presently being opposed and, to the Grantor's knowledge, all such Recordable Intellectual Property is valid and subsisting, and the Grantor is not aware of any pending third-party claim that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said registrations of Recordable Intellectual Property are invalid or unenforceable, and is not aware that there is any reason that any of said applications of Recordable Intellectual Property will not mature into registrations, other than would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The Grantor hereby grants to the Attorney an absolute power of attorney and mandate to sign, solely upon the occurrence and during the continuance of an Event of Default, any document which may be required by the Canadian Intellectual Property Office or any other governmental authority in order to effect an assignment of all right, title and interest in any Intellectual Property Rights constituting Hypothecated Property, and record the same.

10.2. Infringements

The Grantor agrees, within 60 days of the end of each fiscal quarter, to notify the Attorney in writing of the name and address of, and to furnish such pertinent information that may be available to the Grantor with respect to: (i) any party who the Grantor reasonably believes is infringing, misappropriating, diluting or otherwise violating any of the Grantor's rights in and to any Intellectual Property Rights in any manner that would reasonably be expected to have a Material Adverse Effect, or (ii) any party claiming that the Grantor or the conduct of the Grantor's business infringes, misappropriates, dilutes or otherwise violates any intellectual property right of any third party in any manner that would reasonably be expected to have a Material Adverse Effect. The Grantor further agrees to prosecute diligently in accordance with its reasonable business judgment, any

Person infringing, misappropriating, diluting or otherwise violating any Intellectual Property Right owned by it in any manner that would reasonably be expected to have a Material Adverse Effect.

10.3. Preservation of Trademarks

The Grantor agrees to use Trademarks that are material to the Grantor's business during the time in which this Deed is in effect to the extent required by the laws of Canada or other jurisdiction, as applicable, to maintain its rights in the Trademarks and to take all such other actions as are reasonably necessary to preserve the Trademarks under the laws of Canada or other jurisdiction, as applicable (other than any such Trademarks that are deemed by the Grantor in its reasonable business judgment to no longer be material to the conduct of the Grantor's business).

10.4. Maintenance of Registration

The Grantor shall, at its own expense, diligently maintain all material Recordable Intellectual Property, in accordance with its reasonable business judgment, including but not limited to affidavits of use and applications for renewals of registration for all of its material registered Trademarks and timely payment of all post-issuance fees required to maintain in force its rights under each issued Patent or registered Copyright, and shall pay all fees and disbursements in connection therewith and shall not abandon any such registration, filing of affidavit of use or application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Attorney, not to be unreasonably withheld (other than with respect to registrations and applications deemed by the Grantor in its reasonable business judgment to be no longer prudent to pursue).

10.5. Prosecution of Applications

At its own expense, the Grantor, in accordance with its reasonable business judgment, shall diligently prosecute all material applications for (i) Canadian Patents listed in Annex G to the Canadian Security Agreement and (ii) Copyrights listed in Annex G to the Canadian Security Agreement, and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies (other than applications that are no longer material or are deemed by the Grantor in its reasonable business judgment to no longer be necessary in the conduct of the Grantor's business), absent written consent of the Attorney not to be unreasonably withheld.

10.6. After-Acquired Intellectual Property

In the event that the Grantor, either itself or through any agent, mandatary, employee, licensee or designee, files an application for or acquires any Recordable Intellectual Property following the date hereof, then the provisions of this Deed shall automatically apply thereto and any such Intellectual Property Right shall automatically constitute part of the Hypothecated Property and shall be subject to the Hypothec created hereunder, without further action by any party, and the Grantor shall within 60 days of the end of each fiscal quarter execute and deliver any and all agreements, instruments, documents and papers as necessary to evidence the Attorney's hypothec in such Recordable Intellectual Property provided that such agreements, instruments, documents and papers (the "**Writings**") are consistent with the terms of and conditions of this Deed and the Grantor hereby appoints the Attorney as its mandatary to execute and file such Writings, solely upon the occurrence and during the continuance of an Event of Default and solely for the foregoing purposes, all acts of such mandatary being hereby ratified and confirmed.

11. PROVISIONS CONCERNING ALL HYPOTHECATED PROPERTY

11.1. Protection of Attorney's Hypothec

Except as otherwise permitted by the Secured Debt Agreements (as defined in the Canadian Security Agreement), the Grantor will not impair the rights of the Attorney in the Hypothecated Property. The Grantor or an affiliate on behalf of the Grantor will at all times maintain insurance, at the Grantor's own expense to the extent and in the manner provided in the Secured Debt Agreements. If any Event of Default shall have occurred and be continuing, the Attorney shall, at the time any proceeds of such insurance are distributed to the Bondholders, apply such proceeds in accordance with Section 13.10 hereof. The Grantor assumes all liability and responsibility in connection with the Hypothecated Property acquired by it and the liability of the Grantor to pay the Secured Obligations shall in no way be affected or diminished by reason of the fact that such Hypothecated Property may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to the Grantor.

11.2. Additional Information

The Grantor will, at its own expense, from time to time upon the reasonable request of the Attorney, promptly furnish to the Attorney such information with respect to the Hypothecated Property

(including the identity of the Hypothecated Property or such components thereof as may have been reasonably requested by the Attorney, the value and location of such Hypothecated Property, etc.) as may be requested by the Attorney.

11.3. Further Actions

The Grantor will, at its own expense and upon the reasonable request of the Attorney, make, execute, endorse, acknowledge, file and/or deliver to the Attorney from time to time such lists, descriptions and designations of its Hypothecated Property, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Hypothecated Property and other property or rights covered by the Hypothec hereby granted, which the Attorney deems reasonably appropriate or advisable to render the Hypothec opposable to third parties, preserve or protect its Hypothec in the Hypothecated Property; provided, that notwithstanding anything herein to the contrary, the Grantor shall not be required to (i) take any action to render opposable to third parties the Hypothec in any Hypothecated Property under the laws of any jurisdiction outside of the United States or Canada or (ii) enter into any control agreement or similar arrangements relating to any Deposit Account, except as set forth in Section 8.7.

11.4. Publication

The Grantor agrees to proceed to the publication of the present Deed at the Register of Personal and Movable Real Rights, the Land Register of Québec and the Canadian Intellectual Property Office, as the case may be, in form reasonably acceptable to the Attorney, as the Attorney may from time to time reasonably request to establish and maintain a valid, enforceable, opposable hypothec in the Hypothecated Property as provided herein and for the purpose of obtaining and preserving the full benefits of the other rights and hypothec contemplated hereby at least to the extent described in Section 9.2. The Grantor will pay any applicable publication fees, recordation taxes and related expenses relating to the Hypothecated Property. The Grantor hereby authorizes the Attorney to proceed to the publications referred to in this Section 11.4 without the signature of the Grantor where permitted by law.

12. EVENTS OF DEFAULT

12.1. The Grantor shall be in default hereunder and the Hypothec hereby constituted shall become enforceable, upon the occurrence, without notice or other formality, of any one of the following events (each an "**Event of Default**"):

12.1.1 the occurrence of an "Event of Default" (as such term is defined in the ABL Credit Agreement); or

12.1.2 the Grantor fails to pay, on demand, any principal of or interest on the Bonds or any other sum due hereunder.

13. ATTORNEY'S RIGHTS IN CASE OF DEFAULT

13.1. Exercise of rights

Subject to the terms and conditions of the ABL/Term Intercreditor Agreement, in the event that the Hypothec hereby constituted shall have become enforceable, the following provisions shall apply:

13.1.1 the Attorney shall, upon receipt of funding and indemnity satisfactory to the Attorney, and a Bondholders' Instrument, by notice in writing to the Grantor, demand payment of the principal of and interest on all Bonds then outstanding and other moneys secured hereby or owing by the Grantor hereunder and the same shall forthwith be and become immediately due and payable by the Grantor to the Attorney and the Grantor shall forthwith pay to the Attorney for the benefit of the Bondholders all such principal, interest and other moneys. Any such payment then made by the Grantor shall be deemed to have been made in discharge of its obligations hereunder or under the Bonds, and any money so received by the Attorney shall be applied in the same manner as if they were proceeds of realization of the Hypothecated Property;

13.1.2 if the Grantor shall have failed to pay the Attorney, on demand, the principal of and interest on all Bonds outstanding together with any other amounts secured hereby or owing by the Grantor hereunder, the Attorney may, upon receipt of

funding and indemnity satisfactory to the Attorney and a Bondholders' Instrument, proceed to realize the Hypothec created by this Deed and to exercise any right, recourse or remedy of the Attorney and of the Bondholders under this Deed or provided for by law, including without limitation any of the hypothecary rights and recourses provided for under the Civil Code and any rights or remedies provided to secured parties under any applicable personal property (movable) security legislation;

13.1.3no holder of Bonds shall have any right to institute any action or proceeding or to exercise any other remedy authorized by this Deed, by law or by equity for the purpose of enforcing payment of principal or interest or of realizing any security, or by reason of jeopardy of security, or for the execution of any power hereunder other than in accordance with the terms hereof, unless a Bondholders' Instrument shall have been tendered to the Attorney and the Attorney shall have received funding and indemnity satisfactory to it and the Attorney shall have failed to act within a reasonable time thereafter. In such case, but not otherwise, any Bondholder acting on behalf of itself and all other Bondholders shall be entitled to take proceedings such as the Attorney might have taken pursuant to the Bondholders' Instrument, for the equal benefit of all Bondholders; and

13.1.4the Attorney shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Attorney be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Attorney and in the absence of any such notice the Attorney may for all purposes of this indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants,

agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Attorney to determine whether or not the Attorney shall take action with respect to any default.

13.2. Rights of the Attorney

Subject to the terms and conditions of the ABL/Term Intercreditor Agreement, after the occurrence of an Event of Default which is continuing, whichever hypothecary rights or recourses the Attorney may decide to exercise or whichever other rights or recourses the Attorney may wish to exercise in law or in equity, in addition to any rights provided by law, the following provisions shall apply:

13.2.1in order to protect or to realize the value of the Hypothecated Property, the Attorney may, in its discretion, at the Grantor's expense;

13.2.1.1.pursue the transformation of the Hypothecated Property or any work in process or unfinished goods comprised in the Hypothecated Property and complete the manufacture or processing thereof or proceed with any operations to which such property are submitted by the Grantor in the ordinary course of its business and acquire property for such purposes;

13.2.1.2.alienate or dispose of any Hypothecated Property which may be obsolete, may perish or is likely to depreciate rapidly;

13.2.1.3.use for its benefit all information obtained while exercising its rights;

13.2.1.4.perform any of the Grantor's obligations or covenants hereunder;

13.2.1.5.exercise any right attached to the Hypothecated Property on such conditions and in such manner, as it

may determine, acting reasonably;

13.2.1.6. take physical possession of any and all of the Hypothecated Property, and anything found therein, with the right for that purpose to enter without legal process upon any Hypothecated Property or any premises where the Hypothecated Property may be found, and maintain such possession on the Grantor's premises or remove any or all of the Hypothecated Property to such other places as the Attorney shall deem appropriate;

13.2.1.7. use, without charge, any equipment, machinery, process, information, records, computer programs and intellectual property of the Grantor;

13.2.1.8. maintain, repair, restore or renovate, and terminate, any construction work related to the Hypothecated Property, the whole at the Grantor's cost;

13.2.1.9. borrow monies or lend monies and, in such cases, the monies borrowed or lent by the Attorney or any Lender shall bear interest at the rate then obtained or charged by the Attorney or such Lender for such borrowing or loan; these monies shall be reimbursed by the Grantor on demand and, until they have been repaid in full, such monies and interest thereon shall be secured by the Hypothec and be paid in priority of any other sums secured hereunder;

13.2.2 the Attorney shall exercise its rights in good faith in order that, following the exercise thereof, the Secured Obligations may be reduced, in a reasonable manner, taking into account all circumstances;

13.2.3 the Attorney may, directly or indirectly, purchase

or acquire any of the Hypothecated Property;

13.2.4 the Attorney, when exercising its rights, may waive any right of the Grantor, with or without consideration therefor;

13.2.5 the Attorney shall not be bound to take inventory, to take out insurance or to furnish any security;

13.2.6 the Attorney shall not be bound to continue to carry on the Grantor's enterprise or to make the Hypothecated Property productive, or to maintain such property in operating condition;

13.2.7 personally, or by agents, mandataries or attorneys, immediately take possession of the Hypothecated Property or any part thereof, from the Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon the Grantor's premises where any of the Hypothecated Property is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Grantor;

13.2.8 instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Claims) constituting the Hypothecated Property to make any payment required by the terms of the applicable agreement, instrument or other obligation directly to the Attorney and may exercise any and all remedies of the Grantor in respect of such Hypothecated Property;

13.2.9 sell, assign or otherwise liquidate any or all of the Hypothecated Property or any part thereof in accordance with Section 13.3 hereof, or direct the Grantor to sell, assign or otherwise liquidate any or all of the Hypothecated Property or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

13.2.10 take possession of the Hypothecated Property or any part thereof, by directing the Grantor in

writing to deliver the same to the Attorney at any reasonable place or places designated by the Attorney, in which event the Grantor shall at its own expense:

13.2.10.1. forthwith cause the same to be moved to the place or places so designated by the Attorney and there delivered to the Attorney;

13.2.10.2. store and keep any Hypothecated Property so delivered to the Attorney at such place or places pending further action by the Attorney as provided in Section 13.3 hereof; and

13.2.10.3. while the Hypothecated Property shall be so stored and kept, provide such security and maintenance services as shall be reasonably necessary to protect the same and to preserve and maintain it in good condition;

13.2.11 license or sublicense, whether on an exclusive or nonexclusive basis, any Intellectual Property Rights included in the Hypothecated Property (in the case of Trademarks, subject to reasonable quality control and subject to those exclusive licenses granted by the Grantor in effect on the date hereof and those granted by the Grantor hereafter to the extent permitted by the ABL Credit Agreement) for such term and on such conditions and in such manner as the Attorney shall in its sole judgment determine, it being understood that any such license may be exercised, at the option of the Attorney, only upon the occurrence and during the continuance of an Event of Default; provided, that any such license shall be binding upon the Grantor notwithstanding any subsequent cure of an Event of Default;

13.2.12 apply any monies constituting Hypothecated Property or proceeds thereof in accordance with the provisions of Section 13.10; and

13.2.13 take any other action as specified in the Civil

Code;

it being understood that the Grantor's obligation so to deliver the Hypothecated Property is of the essence of this Deed and that, accordingly, upon application to a court having jurisdiction, the Attorney shall be entitled to a decree requiring specific performance by the Grantor of said obligation.

13.3. Disposition of the Hypothecated Property

To the extent permitted by applicable law, if any Event of Default shall have occurred and be continuing, then any Hypothecated Property repossessed by the Attorney under or pursuant to Section 13.2 hereof and any other Hypothecated Property whether or not so repossessed by the Attorney, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Attorney may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Hypothecated Property may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Attorney or after any overhaul or repair at the expense of the Grantor which the Attorney shall reasonably determine to be commercially reasonable. Any such sale, lease or other disposition may be effected by means of a public disposition or private disposition, effected in accordance with the applicable requirements (in each case if and to the extent applicable) of the Civil Code and/or such other mandatory requirements of applicable law as may apply to the respective disposition. The Attorney may, without notice or publication, adjourn any public or private disposition or cause the same to be adjourned from time to time by announcement at the time and place fixed for the disposition, and such disposition may be made at any time or place to which the disposition may be so adjourned. To the extent permitted by any such requirement of law, the Attorney may bid for and become the purchaser (and may pay all or any portion of the purchase price by crediting Secured Obligations against the purchase price) of the Hypothecated Property or any item thereof, offered for disposition in accordance with this Section 13.3 without accountability to the Grantor. The Attorney may also

accept the Hypothecated Property in satisfaction of the Secured Obligations. The Grantor agrees to do or cause to be done all such other acts and things as may be reasonably necessary to make such disposition or dispositions of all or any portion of the Hypothecated Property valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Grantor's expense.

13.4. Taking in payment

If the Attorney elects to exercise its hypothecary recourse of taking in payment the Hypothecated Property and the Grantor requires, in accordance with the applicable provisions of the Civil Code, instead that the Attorney sell itself or under judicial authority the Hypothecated Property on which such right is exercised, the Grantor hereby acknowledges that the Attorney shall not be bound to abandon its recourse of taking in payment unless, prior to the expiry of the time period allotted for surrender, the Attorney (i) has been granted a security which it considers satisfactory, guaranteeing that said Hypothecated Property will be sold at a sufficiently high price to enable the principal of and interest on the Bonds and other moneys secured hereunder to be paid in full, (ii) has been reimbursed of all costs and expenses incurred, including all fees of consultants and legal counsel in connection with this Deed, the Hypothec herein and the indebtedness secured hereby, and (iii) has been advanced the necessary sums for the sale of said Hypothecated Property; the Grantor further acknowledges that the Attorney shall have the right to choose the type of sale it may carry out.

13.5. Surrender of Hypothecated Property

Upon notice by the Attorney declaring due and payable the principal of and interest on the Bonds and all other moneys secured hereby or owing by the Grantor hereunder, the Grantor shall surrender the Hypothecated Property to the Attorney.

13.6. Sale of Hypothecated Property

The Attorney may choose to sell the Hypothecated Property with legal warranty given by the Grantor or with complete or

partial exclusion of such warranty; the sale may also be made cash or with a term or under such conditions determined by the Attorney; it can be cancelled in case of non-payment of the purchase price and such Hypothecated Property may then be resold.

13.7. Use of premises

In order to exercise any of its rights, the Attorney may use the premises located in the Immovables without charge from the Grantor.

13.8. Several Administrators

Where several creditors are involved, the parties hereto waive the application of articles 1332 to 1338 inclusively of the Civil Code.

13.9. Waiver of Claims

Except as otherwise provided in this Deed, the Grantor hereby waives, to the extent permitted by applicable law, notice and judicial hearing in connection with the Attorney's taking possession or the Attorney's disposition of any of the Hypothecated Property, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies, and the Grantor hereby further waives, to the extent permitted by law:

13.9.1 all damages occasioned by such taking of possession or any such disposition except any damages which are the direct result of the Attorney's gross or intentional fault (as determined by a court of competent jurisdiction in a final and non-appealable decision);

13.9.2 all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Attorney's rights hereunder; and

13.9.3 all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay

the enforcement of this Deed or the absolute sale of the Hypothecated Property or any portion thereof, and the Grantor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

13.10. Imputation of payments

Except as herein otherwise expressly provided, to the greatest extent permitted by all applicable law, the moneys and other proceeds arising from any sale or realization of the whole or any part of the Hypothecated Property, whether under any sale by the Attorney or by judicial process or otherwise, together with any other moneys or other proceeds then in the hands of the Attorney and available for such purpose, shall be applied on account of the principal and interest of the Bond or, at the option of the Attorney, may be held unappropriated in a collateral account in order to provide for payment of any charge or claim ranking prior to the Hypothec created hereunder.

13.11. Liability of Grantor

In the case of any judicial or other proceedings to enforce the Hypothec hereby created, the Grantor covenants and agrees with the Attorney that judgment may be rendered against it in favour of the Bondholders or in favour of the Attorney, as *fondé de pouvoir* for the Bondholders, for any amount which may remain due in respect of the Bonds after the application payment thereof of the proceeds of the sale of the Hypothecated Property or any part thereof.

13.12. Cumulative remedies

Each and every right, power and remedy hereby specifically given to the Attorney shall be in addition to every other right, power and remedy specifically given to the Attorney under this Deed, the other Secured Debt Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Attorney. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Attorney in the exercise of any such right, power or remedy and no

renewal or extension of any of the Secured Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence thereof. No notice to or demand on the Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Attorney to any other or further action in any circumstances without notice or demand. In the event that the Attorney shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Attorney may recover reasonable expenses, including reasonable legal fees, and the amounts thereof shall be included in such judgment.

13.13. Discontinuance of Proceedings

In case the Attorney shall have instituted any proceeding to enforce any right, power or remedy under this Deed by taking in payment, sale or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Attorney, then and in every such case the Grantor, the Attorney and each holder of any of the Secured Obligations shall be restored to their former positions and rights hereunder with respect to the Hypothecated Property subject to the Hypothec created under this Deed, and all rights, remedies and powers of the Attorney shall continue as if no such proceeding had been instituted.

14. CONCERNING THE ATTORNEY

By way of supplement to the provisions of law relating to *fondé de pouvoir*, it is expressly agreed that:

14.1. the Attorney shall only be accountable for reasonable diligence in the management of its duties and rights hereunder, and shall not be liable for any action taken or omitted by it in connection herewith unless caused by its gross or intentional fault;

14.2. except as otherwise provided herein, the Attorney shall, with respect to all rights, powers and authorities vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof;

14.3. the Attorney shall have the right in its discretion to proceed

in its name as Attorney hereunder to the enforcement of the Hypothec hereby constituted by any remedy provided herein or by law, whether by legal proceedings or otherwise, but it shall not be bound to do or to take any act or action in virtue of the powers conferred on it by these presents unless and until it shall have been required to do so by way of a Bondholders' Instrument; the Attorney shall not be responsible or liable, otherwise than as a *fondé de pouvoir*, for any debts contracted by it, for damages to Persons or property or for salaries or non-fulfilment of contracts during any period for which the Attorney managed the Hypothecated Property upon entry, as herein provided, nor shall the Attorney be liable to account for anything except actual revenues or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable; the obligation of the Attorney to commence or continue any act, action or proceeding under this Deed shall, at the option of the Attorney, be conditional upon the Bondholders furnishing, when required, sufficient funds to commence or continue such action or proceeding and indemnity reasonably satisfactory to the Attorney;

14.4. in the event of the Grantor making an authorized assignment, or a custodian, trustee or liquidator being appointed in respect of the Grantor or its assets under the *Bankruptcy and Insolvency Act* or any analogous act or proceeding, or any legislation which replaces or supplements the foregoing, the Attorney may, if directed to do so by a Bondholders' Instrument, file and prove a claim, value security and vote and act at all meetings of creditors and otherwise in bankruptcy, insolvency or similar proceedings, as agent on behalf of the Bondholders;

14.5. subject to receiving sufficient funds or indemnity in accordance with Section 14.3, the Attorney shall be obliged to act and shall act and be fully protected in acting upon a Bondholders' Instrument in connection with any proceedings, act, power, right, matter or thing relating to or conferred by or to be done under this Deed; none of the provisions of this Deed shall require the Attorney to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights and powers unless indemnified as aforesaid;

14.6. the Attorney may act and rely and shall be protected in acting

and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telecopier or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the property party or parties;

14.7. the Attorney may employ or retain such counsel, accountants, appraisers, engineers or other experts or advisors as it reasonably required for the purpose of determining and discharging its duties and administering the trusts hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct on the part of any of them. Any remuneration so paid by the Attorney shall be repaid to the Attorney as Secured Obligations;

14.8. the Attorney may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser, engineer or other expert or advisor, whether retained or employed by the Grantor or by the Attorney, in relation to any matter arising in the administration of the trusts hereof;

14.9. no Person dealing with the Attorney or its agent shall be concerned to enquire whether the Hypothec constituted hereby has become enforceable, or whether the powers which the Attorney is purporting to exercise have become exercisable, or whether any moneys remain due upon the Hypothec hereunder or the Bonds, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Attorney with the Hypothecated Property or any part thereof, or to see to the application of any moneys paid to the Attorney;

14.10. all rights of action under this Deed may be enforced by the Attorney without the possession of the Bonds hereby secured or the production thereof; and

14.11. the Attorney may resign from the performance of all of its functions and duties under this Deed at any time by giving at least thirty (30) days' prior written notice to the Grantor and each Bondholder. Such resignation shall take effect upon the appointment of a successor Attorney pursuant hereto. If a

successor Attorney shall not have been appointed within such thirty (30) day period by the Majority Bondholders, the Attorney shall then appoint a successor Attorney who shall serve as Attorney hereunder until such time, if any, as the Majority Bondholders appoint a successor Attorney as provided above. The Attorney may be removed at any time with or without cause by the Majority Bondholders, such removal to take effect upon the appointment of a successor Attorney by the Majority Bondholders. Any new or successor Attorney without further act shall be vested and have all rights, powers and authorities granted to the Attorney hereunder and be subject in all respects to the terms, conditions and provisions hereof. The resigning or removed Attorney following payment of all outstanding fees and expenses and the successor Attorney shall execute such assignments, agreements and other instruments, effect such registrations and do such acts and things as they deem appropriate or the Majority Bondholders may require in order that the successor Attorney possess all the rights and powers and have all the duties of the resigning or removed Attorney hereunder.

15. BONDHOLDERS' INSTRUMENTS

15.1. Amendments, Waivers; etc.

The Bondholders may, by Bondholders' Instrument, direct or authorize the Attorney to (a) modify any of the rights of the holders of the Bonds of all or any series against the Grantor or its undertaking and property, (b) exercise, or refrain from exercising, any power, right, remedy or authority given by this Deed or the Bonds, (c) waive any default on the part of the Grantor in complying with any provision of this Deed or the Bonds either unconditionally or upon any conditions specified in such Bondholders' Instrument, (d) assent to any compromise or arrangement with any creditor or creditors of the Grantor, (e) assent to any modification of or change in or addition to the provisions of this Deed provided however that the Attorney may decline to agree, in its discretion, to any modification, abrogation, alteration, compromise or arrangement which would adversely affect its rights, (f) grant any approval or consent herein provided to be given by the Bondholders or make any determination herein provided to be made by the Bondholders, (g) sanction any scheme of reorganization, consolidation, merger or amalgamation of the Grantor on such terms as may be provided in such Bondholders' Instrument, (h) amend, alter or repeal any previous Bondholders' Instrument, and (i) sign such other deeds, instruments or take such other action or

refrain from taking any action as may be specified in such Bondholders' Instrument. Every Bondholders' Instrument shall be binding on all the Bondholders, whether signatories thereto or not, and each and every Bondholder and the Attorney shall be bound to give effect accordingly to every such Bondholders' Instrument.

The Attorney may also, without the consent or concurrence of the Bondholders by Bondholders' Instrument, by supplemental deed or indenture or otherwise, concur with the Grantor in making any changes or corrections in this Deed which it shall have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omission or mistake or manifest error contained herein or in any deed or indenture supplemental or ancillary hereto, provided that in the opinion of the Attorney the rights of the Attorney and of the Bondholders are in no way prejudiced thereby.

16. INDEMNITY

16.1. Indemnity and Expense Reimbursement

The terms of Section 12.01 of the ABL Credit Agreement are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

16.2. Indemnity Obligations Secured by Hypothecated Property; Survival

Any amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement shall constitute Secured Obligations secured by the Hypothecated Property. The indemnity obligations of the Grantor contained in the ABL Credit Agreement shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, and Loans made and Letters of Credit issued, under the ABL Credit Agreement and the payment of all other Secured Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

17. MISCELLANEOUS

17.1. Notices

Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or

courier service and all such notices and communications shall not be effective until received by the Attorney or the Grantor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to the Grantor, c/o:

100 Domain Drive
Exeter, New Hampshire 03833, USA
Attention: Michael Wall, Vice President
and General Counsel
Facsimile: 603-430-7332
Telephone.: 603-610-5805
E-mail: Michael.Wall@bauer.com

(b) if to the Attorney, at:

Gregory Kress
Senior Vice President
Bank of America Business Capital
Bank of America Merrill Lynch
Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
225 Franklin St. - MA1-225-02-05
Boston, MA 02110, USA
T: (617) 346 -1181
F: (312) 453 - 4396
gregory.kress@baml.com

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

17.2. Waiver; Amendment

Except as provided in Section 17.6, none of the terms and conditions of this Deed may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Grantor and the Attorney (with the written consent of the Majority Bondholders).

17.3. Obligations Absolute

To the maximum extent permitted by applicable law, the obligations of the Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition,

liquidation or the like of the Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Deed or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or any security for any of the Secured Obligations; whether or not the Grantor shall have notice or knowledge of any of the foregoing.

17.4. Successors and Assigns

This Deed shall create a continuing hypothec in the Hypothec and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 17.6, (ii) be binding upon the Grantor, its successors and assigns; provided, however, that the Grantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Attorney (with the prior written consent of the Majority Bondholders), and (iii) enure, together with the rights and remedies of the Attorney hereunder, to the benefit of the Attorney and the Bondholders and their respective successors, transferees and permitted assigns. All agreements, statements, representations and warranties made by the Grantor herein or in any certificate or other instrument delivered by the Grantor or on its behalf under this Deed shall be considered to have been relied upon by the Bondholders and shall survive the execution and delivery of this Deed regardless of any investigation made by the Bondholders or on its behalf.

17.5. Grantor's Duties

It is expressly agreed, anything herein contained to the contrary notwithstanding, that the Grantor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Hypothecated Property and the Attorney shall not have any obligations or liabilities with respect to any Hypothecated Property by reason of or arising out of this Deed, nor shall the Attorney be required or obligated in any manner to perform or fulfill any of the obligations of the Grantor under or with respect to any Hypothecated Property.

17.6. Termination; Release

17.6.1 After the Termination Date, this Deed shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Hypothecated Property shall revert to the Grantor (provided that all indemnities set forth herein including, without limitation in Section

16.1 hereof, shall survive such termination) and the Attorney, at the request and expense of the Grantor, will promptly execute and deliver to the Grantor a proper instrument or instruments (including discharges to be published at the Register of Personal and Movable Real Rights and the Land Register of Québec) acknowledging the satisfaction and termination of this Deed, and will duly assign, transfer and deliver to the Grantor (without recourse and without any representation or warranty) such of the Hypothecated Property as may be in the possession of the Attorney and as has not theretofore been sold or otherwise applied or released pursuant to this Deed.

17.6.2 In the event that, at any time prior to the Termination Date, any part of the Hypothecated Property is sold or otherwise disposed of (to a Person other than a Credit Party) in connection with a sale or disposition permitted by Section 9.02 of the ABL Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 12.10 of the ABL Credit Agreement), and the fruits and revenues of such sale or disposition (or from such release) are applied in accordance with the terms of the ABL Credit Agreement, to the extent required to be so applied, the Attorney, at the request and expense of the Grantor, will duly release from the Hypothec created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to the Grantor (without recourse and without any representation or warranty) such of the Hypothecated Property as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Attorney and has not theretofore been released pursuant to this Deed.

17.6.3 At any time that the Grantor desires that the Attorney take any action to acknowledge or give effect to any release of Hypothecated Property pursuant to the foregoing Section 17.6.2, the

Grantor shall deliver to the Attorney (and the relevant nominee or mandatary, if any, designated hereunder) a certificate signed by a Responsible Officer of the Grantor stating that the release of the respective Hypothecated Property is permitted pursuant to such Section 17.6.2. At any time that either the Borrower or the Grantor desires that a Subsidiary of the Borrower which has been released from the Subsidiaries Guaranty be released hereunder as provided in the last sentence of Section 17.6.2, it shall deliver to the Attorney a certificate signed by a Responsible Officer of the Borrower and the Grantor stating that the release of the Grantor (and its Hypothecated Property) is permitted pursuant to such Section 17.6.2.

17.6.4 The Attorney shall have no liability whatsoever to any Bondholder as the result of any release of Hypothecated Property by it in accordance with (or which the Attorney in the absence of gross or intentional fault believes to be in accordance with) this Section 17.6.

17.7. Severability

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17.8. Irrevocable Mandate

Subject to the terms of the ABL/Term Intercreditor Agreement, the Grantor hereby constitutes and appoints the Attorney its true and lawful attorney and mandatary, irrevocably, with full power after the occurrence of and during the continuance of an Event of Default (in the name of the Grantor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due to the Grantor under or arising out of the Hypothecated Property, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Attorney may deem to be reasonably necessary or advisable to protect the

interests of the Bondholders.

17.9. Additional Security

The Hypothec is hereby created in addition to and not in substitution of or in replacement for any other Lien held or which may hereafter be held by the Attorney and does not affect the Attorney's rights of compensation and set-off.

17.10. Compensation

Provided the Secured Obligations are due and exigible or the Attorney is entitled to declare them owing and exigible, the Attorney may compensate and set-off these obligations with any and all amounts due to it, in its capacity as *fondé de pouvoir* for the Bondholders, by the Grantor, on any account whatsoever, whether such amount be exigible or not, and the Attorney shall then be deemed to have exercised such right to compensate and set-off as at the time the decision was taken by it even though the appropriate entries have not yet been made in its records.

17.11. Time of Essence

The mere lapse of time provided for to the Grantor to perform its obligations or the arrival of the term shall automatically create a default, without any obligation for the Attorney to serve any notice or prior notice to the Grantor.

17.12. Grantor to Execute Confirmatory Deeds and Additional Documents

In case of any sale under the provisions of this Deed or at law, whether by the Attorney or under judicial proceedings, the Grantor agrees that it will execute and deliver to the purchaser on demand any instrument reasonably necessary to confirm to the purchaser the title of the property so sold and, in case of any such sale, the Attorney is hereby irrevocably authorized by the Grantor to execute on its behalf and in its name any such confirmatory instrument.

Furthermore, the Grantor undertakes to sign a notice given in virtue of article 2949 of the Civil Code with regard to the Immovables where the Grantor's signature is necessary.

17.13. Not a Floating Hypothec or Trust

The Hypothec is not, nor shall it be construed as, a floating hypothec within the meaning of articles 2715 *et. seq*. of the Civil Code nor

shall this Deed be deemed as creating a trust within the meaning of article 1260 of the Civil Code.

17.14. Waiver

Where the Grantor has taken an Immovable in payment for an hypothecated claim ranking prior to the Hypothec, the Grantor waives its right to take advantage of the provisions of Section 2771 of the Civil Code.

To the extent necessary or useful, the parties hereby waive the application of Section 32 of an *Act Respecting the Special Powers of Legal Persons*, R.S.Q., c. P-16 and of Articles 1310 and 2147 of the Civil Code. Each party renounces any right it may have to invoke the nullity of the Deed, the Bond and all related security documents governed by the laws of the Province of Québec as a result of the application of Section 32 of the *Act Respecting the Special Powers of Legal Persons* (Québec) or any other applicable law.

18. FORM OF BONDS

The Bonds shall be in substantially the following form subject to such alterations as may be approved by the Attorney, such approval to be conclusively evidenced by the certification by the Attorney of Bonds with such alterations incorporated therein:

[NAME OF GRANTOR]

(existing under the laws of [●])

CANADA

PROVINCE OF QUEBEC

25% MORTGAGE DEMAND BOND

No. _____ Cdn $_____

[NAME OF GRANTOR], a corporation governed by the laws of Canada (the " **Grantor**"), having its registered office at [●], for value received promises, on demand, to pay to BANK OF AMERICA, N.A., in its capacity as Collateral Agent under the ABL Credit Agreement (as defined in the Deed), or to any registered assign, at the office of BANK OF AMERICA, N.A. located at 225 Franklin Street, Boston, Massachusetts, USA, 02110 upon presentation and surrender thereat of this Bond, the sum of _____

Canadian Dollars (Cdn $_____) in lawful money of Canada and to pay on demand interest thereon in like money at the same place, at an annual rate of twenty-five percent (25%) per annum, calculated semi-annually, from the date hereof, both before and after demand, maturity and judgment, with interest on overdue interest at the same rate, calculated semi-annually.

This Bond is one of the 25% Mortgage Demand Bonds issued under a Deed of Hypothec and Issue of Mortgage Bonds dated April 15, 2014 (the "**Deed**") made between **[NAME OF GRANTOR]**, as Grantor, and BANK OF AMERICA, N.A., as *fondé de pouvoir* (the "**Attorney**"). Reference is made to the Deed and to the deed or deeds, if any, supplemental thereto for a statement of the property hypothecated and subjected to the hypothec thereunder, the nature and extent of the security, the rights of the holder of this Bond under the same and the terms and conditions on which the Bonds may be issued, certified and transferred.

This Bond shall not become obligatory for any purpose until it shall have been certified by or on behalf of the Attorney for the time being under the Deed.

The holder of this Bond acknowledges and confirms by its acceptance of such Bond that the Attorney is a person holding the power of attorney (the *fondé de pouvoir*) of the holders of all Bonds issued under the Deed for the purpose of and as provided in the Deed.

The Grantor by its signature on the one hand and the holder and any transferee of this Bond by their acceptance of this Bond on the other hand acknowledge that they have expressly required it to be drawn up in the English language. *La société, par sa signature, d'une part, et le détenteur et tous cessionnaires de cette obligation par leur acceptation, d'autre part, déclarent qu'ils ont expressément exigé qu'elle soit rédigée en langue anglaise.*

IN WITNESS WHEREOF, **[NAME OF GRANTOR]** has caused this Bond to be signed by its undersigned representative and to be dated the _____ (____th) day of _____, 20____, at the City of Montréal, Province of Québec.

[NAME OF GRANTOR]

Per:

__
Name:
Title:

FONDÉ DE POUVOIR'S CERTIFICATE

This Bond is one of the 25% Mortgage Demand Bonds within mentioned.

Date: _____

BANK OF AMERICA, N.A.

Per:

__
(duly authorized)

Per:

__
(duly authorized)

19. GOVERNING LAW

This Deed shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

20. CONFLICT; ABL/TERM INTERCREDITOR AGREEMENT

This Deed and the other Credit Documents are subject to the terms and conditions set forth in the ABL/Term Intercreditor Agreement in all respects and, in the event of any conflict between the terms of the ABL/Term Intercreditor Agreement and this Deed, the terms of ABL/Term Intercreditor Agreement shall govern. Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Attorney pursuant to any Credit Document and the exercise of any right or remedy in respect of the Hypothecated Property by the Attorney hereunder or a Secured Creditor under any other Credit Document are subject to the provisions of the ABL/Term Intercreditor Agreement and in the event of any conflict between the terms of the

ABL/Term Intercreditor Agreement, this Deed and any other Credit Document, the terms of the ABL/Term Intercreditor Agreement shall govern and control with respect to the exercise of any such right or remedy. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Grantor shall not be required hereunder or under any Credit Document to take any action with respect to the Hypothecated Property that is inconsistent with the Grantor's obligations under the ABL/Term Intercreditor Agreement. Prior to the Discharge of Fixed Asset Obligations (as defined in the ABL/Term Intercreditor Agreement), the delivery or granting of "control" (within the meaning of *An Act Respecting the Transfer of Securities and the Establishment of Security Entitlements* (Quebec)) of any Fixed Asset Collateral (as defined in the ABL/Term Intercreditor Agreement) to the Controlling Fixed Asset Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) shall satisfy any such delivery or granting of "control" requirement hereunder or under any other Credit Document with respect to any Fixed Assets Priority Collateral (as defined in the ABL/Term Intercreditor Agreement) to the extent that such delivery or granting of "control" is consistent with the terms of the ABL/Term Intercreditor Agreement. For the purposes of Article 2705 of the Civil Code, the Grantor hereby acknowledges and agrees to such holding or control by the Controlling Fixed Asset Collateral Agent (as defined in the ABL/Term Intercreditor Agreement) of any of the Hypothecated Property for the purposes described in the present paragraph.

21. ENGLISH LANGUAGE

The parties hereby confirm their express wish that the present Deed and all documents and agreements directly and indirectly related thereto be drawn up in English. Notwithstanding such express wish, the parties agree that any of such documents and agreements or any part thereof or of this Deed may be drawn up in French.

Les parties reconnaissent leur volonté expresse que le présent acte ainsi que tous les documents et conventions qui s'y rattachent directement ou indirectement soient rédigés en langue anglaise. Nonobstant telle volonté expresse, les parties conviennent que n'importe quel desdits documents et conventions ou toute partie de ceux-ci ou de cet acte puissent être rédigés en français.

WHEREOF ACTE, done and passed at the City of Montréal, Province of Québec, on the date hereinabove first mentioned and

remaining of records in the office of the undersigned Notary under minute number

The representatives of the parties declared to the said Notary to have taken cognizance of the present deed and to have exempted the said Notary from reading same or causing same to be read, following which the representatives of the parties signed in the presence of the Notary and as follows:

BANK OF AMERICA, N.A.

Per: __
Joëlle Girard
Authorized
Representative

[NAME OF GRANTOR]

Per: __
Howard Rosenoff
Authorized
Representative

WILLIAM DION-BERNARD, Notary

EXHIBIT H

FORM OF ABL GUARANTY

[See Attached.]

ABL GUARANTY

ABL GUARANTY, dated as of April 15, 2014 (as amended, modified or supplemented from time to time, this " **Guaranty**"), made by each of the undersigned guarantors (each a "**Guarantor**" and, together with any other entity that becomes a guarantor hereunder pursuant to Section 26 hereof, the "**Guarantors**"). Except as otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, BAUER PERFORMANCE SPORTS LTD. (the "Parent"), BAUER HOCKEY CORP. and BAUER HOCKEY, INC. (together, the "Lead Borrowers"), the other borrowers party thereto (each, a "Subsidiary **Borrower**" and together with the Lead Borrowers, the "Borrowers"), the lenders party thereto from time to time (the "**Lenders**"), Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**"), the Swingline Lender and Issuing Banks party thereto, have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "**Credit Agreement**"), providing for the making of Revolving Loans to, and the issuance of Letters of Credit on behalf of, the Parent and the Borrowers as contemplated therein (the Lenders, the Swingline Lender, each Issuing Bank, the Collateral Agent, the Administrative Agent and each other agent named therein are herein called the "Lender **Creditors**");

WHEREAS, the Parent and any other Credit Party may at any time and from time to time enter into one or more Secured Bank Product Obligations with Secured Bank Product Providers (such Secured Bank Product Providers, if any, collectively, the "Other Creditors" and, together with the Lender Creditors, the "Secured Creditors");

WHEREAS, each Guarantor, other than the Parent, is a Subsidiary of the Parent;

WHEREAS, it is a condition to the making of Revolving Loans to the Borrowers and the issuance of Letters of Credit on behalf of the Parent and the Borrowers under the Credit Agreement that each Guarantor shall have executed and delivered this Guaranty; and

WHEREAS, each Guarantor will obtain benefits from the incurrence of Revolving Loans by the Borrowers and the issuance of Letters of Credit on behalf of the Parent and the under the Credit Agreement and the entering into by the Parent or any other Credit Party of Secured Bank Product Obligations with the Other Creditors and, accordingly, desires to execute this Guaranty in order to satisfy the condition described in the preceding paragraph;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Guarantor, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby makes the following representations and warranties to the Secured Creditors and hereby covenants and agrees with each Secured Creditor as follows:

1. Each Guarantor, jointly and severally, irrevocably, absolutely and unconditionally guarantees: (i) to the Lender Creditors the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of (x) the unpaid principal of, premium, if any, and interest on the Notes issued by and the Revolving Loans made to the Borrowers and the Letters of Credit issued on behalf of the Parent, the Lead Borrowers and/or certain of their respective Subsidiaries, in each case, under the Credit Agreement and (y) all other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any similar provision of any other Debtor Relief Law, would become due), liabilities and indebtedness owing by each Borrower to the Lender Creditors under the Credit Agreement and each other Credit Document to which such Borrower is a party (including, without limitation, indemnities, Fees and interest thereon (including, in each case, any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding, including under any Debtor Relief Law, at the rate provided for in the Credit Agreement, whether or not such interest is an allowed claim in any such proceeding)), whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and each such other Credit Document and the due performance and compliance by each Borrower with all of the terms, conditions and agreements contained in all such Credit Documents (all such principal, premium, interest, reimbursement obligations, liabilities, indebtedness and obligations being herein collectively called the "Credit Document Obligations"); and (ii) to each Other Creditor the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or any similar provision of any other Debtor Relief Law, would become due), liabilities and indebtedness (including, in each case, any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding, including under any Debtor Relief Law, at the rate provided for in the respective Secured Bank Product Obligations whether or not such interest is an allowed claim in any such proceeding) owing by the Parent, the Lead Borrowers and/or one or more of their respective Subsidiaries under any Secured Bank Product Obligations, whether now in existence or hereafter arising, and the due performance and compliance by the Parent, such Borrowers and such Subsidiaries with all of the terms, conditions and agreements contained in each Secured Bank Product Obligations to which it is a party (all such obligations, liabilities and indebtedness being herein collectively called the "Other Obligations" and, together with the Credit Document Obligations, the "**Guaranteed Obligations**"); provided, that the Guaranteed Obligations of each Guarantor shall exclude all Excluded Swap Obligations for such Guarantor. As used herein, the term "Guaranteed Party" shall mean the Parent, each Borrower and each Subsidiary thereof party to any Secured Bank Product Obligations with an Other Creditor. Each Guarantor understands, agrees and confirms that the Secured Creditors may enforce this Guaranty up to the full amount of the Guaranteed Obligations against such Guarantor without proceeding against any other Guarantor, the Parent, any Borrower, any other Guaranteed Party, against any security for the Guaranteed Obligations, or under any other guaranty (including the Credit Party Guaranty) covering all or a portion of the Guaranteed Obligations.

2. Additionally, each Guarantor, jointly and severally, unconditionally, absolutely and irrevocably, guarantees the payment of any and all Guaranteed Obligations whether or not due or payable by any Borrower or any such other Guaranteed Party upon the occurrence in respect of any Borrower or any such other Guaranteed Party of any of the events specified in Section 10.01(e) of

the Credit Agreement, and unconditionally and irrevocably, jointly and severally, promises to pay such Guaranteed Obligations to the Secured Creditors, or order, on demand. This Guaranty shall constitute a guaranty of payment, and not of collection.

3. The liability of each Guarantor hereunder is primary, absolute, joint and several, and unconditional and is exclusive and independent of any security for or other guaranty of the indebtedness of any Borrower or any other Guaranteed Party, whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by any circumstance or occurrence whatsoever, including, without limitation: (a) any direction as to application of payment by any Borrower, any other Guaranteed Party or any other party, (b) any other continuing or other guaranty, undertaking or maximum liability of a Guarantor or of any other party as to the Guaranteed Obligations, (c) any payment on or in reduction of any such other guaranty or undertaking (other than payment of the Guaranteed Obligations in cash in accordance with the terms hereof to the extent of such payment), (d) any dissolution, termination or increase, decrease or change in personnel by any Borrower or any other Guaranteed Party, (e) any payment made to any Secured Creditor on the indebtedness which any Secured Creditor repays any Borrower or any other Guaranteed Party pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, or (f) any action or inaction by the Secured Creditors as contemplated in Section 6 hereof or (g) any invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor.

4. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor, any Borrower or any other Guaranteed Party, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor, any Borrower or any other Guaranteed Party and whether or not any other Guarantor, any other guarantor, any Borrower or any other Guaranteed Party be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefits of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by any Borrower or any other Guaranteed Party or other circumstance which operates to toll any statute of limitations as to any Borrower or any such other Guaranteed Party shall operate to toll the statute of limitations as to each Guarantor.

5. To the fullest extent permitted under applicable law, each Guarantor hereby waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Administrative Agent or any other Secured Creditor against, and any other notice to any party liable thereon (including such Guarantor, any other Guarantor, any other guarantor, any Borrower or any other Guaranteed Party).

6. Any Secured Creditor may at any time and from time to time without the consent of, or notice to, any Guarantor (except as shall be required by applicable statute and cannot be waived), without incurring responsibility to such Guarantor, without impairing or releasing the obligations of such Guarantor hereunder, upon or without any terms or conditions and in whole or

in part:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, increase, accelerate or alter, any of the Guaranteed Obligations (including any increase or decrease in the rate of interest thereon or the principal amount thereof), any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, renewed or altered;

(b) take and hold security for the payment of the Guaranteed Obligations and sell, exchange, release, surrender, impair, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset there against;

(c) exercise or refrain from exercising any rights against the Parent, any Borrower, any other Guaranteed Party, any other Credit Party, any Subsidiary thereof or otherwise act or refrain from acting;

(d) release or substitute any one or more endorsers, Guarantors, other guarantors, Borrowers, any other Guaranteed Parties, or other obligors;

(e) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of any Borrower or any other Guaranteed Party to creditors of such Borrower or such other Guaranteed Party other than the Secured Creditors;

(f) except as otherwise expressly required by the Security Documents, apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of any Borrower or any other Guaranteed Party to the Secured Creditors regardless of what liabilities of such Borrower or such other Guaranteed Party remain unpaid;

(g) consent to or waive any breach of, or any act, omission or default under, any Secured Bank Product Obligation, any Credit Document or any of the instruments or agreements referred to therein, or otherwise amend, modify or supplement any of the Secured Bank Product Obligations or the Credit Documents or any of such other instruments or agreements;

(h) act or fail to act in any manner which may deprive such Guarantor of its right to subrogation against any Borrower or any other Guaranteed Party to recover full indemnity for any payments made pursuant to this Guaranty; and/or

(i) take any other action that would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of such Guarantor from its liabilities

under this Guaranty.

7. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of any Secured Creditor in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies expressly specified herein or in any other Credit Document are cumulative and not exclusive of any rights, powers or remedies which any Secured Creditor would otherwise have. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Secured Creditor to any other or further action in any circumstances without notice or demand. It is not necessary for any Secured Creditor to inquire into the capacity or powers of any Borrower or any other Guaranteed Party or the officers, directors, partners or agents acting or purporting to act on its or their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

8. Any indebtedness of any Borrower or any other Guaranteed Party now or hereafter owing to any Guarantor is hereby subordinated to the Guaranteed Obligations of such Borrower or such other Guaranteed Party to the Secured Creditors, and such Guaranteed Obligations of such Borrower or such other Guaranteed Party to any Guarantor, if the Administrative Agent or the Collateral Agent, after the occurrence and during the continuance of an Event of Default, so requests, shall be collected, enforced and received by such Guarantor as trustee for the Secured Creditors and be paid over to the Secured Creditors on account of the Guaranteed Obligations of such Borrower or such other Guaranteed Parties to the Secured Creditors, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Guaranty. Without limiting the generality of the foregoing, each Guarantor hereby agrees with the Secured Creditors that it will not exercise any right of subrogation which it may at any time otherwise have as a result of this Guaranty (whether contractual, under Section 509 of the Bankruptcy Code or any similar provision of any other Debtor Relief Law, or otherwise) until all Guaranteed Obligations have been irrevocably paid in full in cash.

9. (a) Each Guarantor waives any right (except as shall be required by applicable law and cannot be waived) to require the Secured Creditors to: (i) proceed against any Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party; (ii) proceed against or exhaust any security held from any Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party; or (iii) pursue any other remedy in the Secured Creditors' power whatsoever. Each Guarantor waives any defense based on or arising out of any defense of any Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party other than payment in full in cash of the Guaranteed Obligations, including, without limitation, any defense based on or arising out of the disability of any Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other person or party, or the unenforceability of the Guaranteed

Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Borrower or any other Guaranteed Party other than payment in full in cash of the Guaranteed Obligations. The Secured Creditors may, at their election, foreclose on any security held by the Administrative Agent, the Collateral Agent or any other Secured Creditor by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, or exercise any other right or remedy any Secured Creditors may have against any Borrower, any other Guaranteed Party or any other person or party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full in cash. Each Guarantor waives, to the fullest extent permitted under law, any defense arising out of any such election by the Secured Creditors, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against any Borrower, any other Guaranteed Party or any other party or any security.

(b) Each Guarantor waives, to the fullest extent permitted under law, all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Guaranteed Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Secured Creditors shall have no duty to advise any Guarantor of information known to them regarding such circumstances or risks.

10. The Secured Creditors agree that this Guaranty may be enforced only by the action of the Administrative Agent or any Collateral Agent, in each case acting upon the instructions of the Required Lenders (or, after the date on which all Credit Document Obligations have been paid in full, the holders of at least a majority of the outstanding Other Obligations) and that no other Secured Creditors shall have any right individually to seek to enforce or to enforce this Guaranty, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent or the Collateral Agent or, after all the Credit Document Obligations have been paid in full, by the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Guaranty. The Secured Creditors further agree that this Guaranty may not be enforced against any director, officer, employee, partner, member or stockholder of any Guarantor (except to the extent such partner, member or stockholder is also a Guarantor hereunder).

11. In order to induce the Lenders to make Revolving Loans to, and the Issuing Bank to issue Letters of Credit on behalf of, the Parent, the Borrowers and/or any of their respective subsidiaries pursuant to the Credit Agreement, and in order to induce the Other Creditors to execute, deliver and perform the Secured Bank Product Obligations to which they are a party, each Guarantor represents, warrants and covenants that:

(a) Such Guarantor (i) is a duly organized and validly existing corporation,

partnership or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, (ii) has the corporate, partnership or limited liability company power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business requires such qualification except for failures to be so qualified which, either individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect.

(b) Such Guarantor has the corporate, partnership or limited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of this Guaranty and each other Credit Document to which it is a party and has taken all necessary corporate, partnership or limited liability company action, as the case may be, to authorize the execution, delivery and performance by it of this Guaranty and each such other Credit Document. Such Guarantor has duly executed and delivered this Guaranty and each other Credit Document to which it is a party, and this Guaranty and each such other Credit Document constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, except to the extent that the enforceability hereof or thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(c) Neither the execution, delivery or performance by such Guarantor of this Guaranty or any other Credit Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, will (i) contravene any provision of any applicable law, statute, rule or regulation or any applicable order, writ, injunction or decree of any court or governmental instrumentality, (ii) conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents or Permitted Liens) upon any of the property or assets of such Guarantor or any of its Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, credit agreement, or any other material agreement, contract or instrument, in each case to which such Guarantor or any of its Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject (except, in the case of preceding clauses (i) and (ii), other than in the case of any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect) or (iii) violate any provision of the certificate or articles of incorporation or by-laws (or equivalent organizational documents) of such Guarantor or any of its Subsidiaries.

(d) Except to the extent the failure to obtain or make the same would not reasonably be expected to have a Material Adverse Effect, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except for (x) those that have otherwise been obtained or made on or prior to the Closing Date and

which remain in full force and effect on the Closing Date and (y) filings which are necessary to perfect the security interests or hypothecs created under the Security Documents), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required to be obtained or made by, or on behalf of, any Guarantor in connection with, the execution, delivery and performance of this Guaranty by such Guarantor or any other Credit Document to which such Guarantor is a party.

(e) There are no actions, suits or proceedings pending or, to such Guarantor's knowledge, threatened (i) with respect to this Guaranty or any other Credit Document to which such Guarantor is a party or (ii) with respect to such Guarantor or any of its Subsidiaries that, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect.

12. Each Guarantor covenants and agrees that on and after the Closing Date and until the Termination Date, such Guarantor will comply, and will cause each of its Subsidiaries to comply, with all of the applicable provisions, covenants and agreements contained in Articles 8 and 9 of the Credit Agreement, and will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that it is not in violation of any provision, covenant or agreement contained in Articles 8 or 9 of the Credit Agreement, so that no Default or Event of Default is caused by the actions of such Guarantor or any of its Subsidiaries. As used in this Agreement, "**Termination Date**" shall mean the date upon which the Aggregate Commitments under the Credit Agreement have been terminated and all Credit Document Obligations have been terminated, no Note under the Credit Agreement is outstanding and all Revolving Loans and LC Disbursements thereunder have been repaid in full (excluding any contingent indemnity obligations not then asserted and Letters of Credit which have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent).

13. The Guarantors hereby jointly and severally agree to pay all reasonable out- of-pocket costs and expenses of each Secured Creditor in connection with the enforcement of this Guaranty (including, without limitation, the reasonable fees and disbursements of counsels employed by each of the Secured Creditors, consistent with the arrangements provided for in the Credit Agreement) and of the Administrative Agent and the Collateral Agent in connection with any amendment, waiver or consent relating hereto (including, without limitation, the reasonable fees and disbursements of counsels employed by each of the Agents).

14. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the Secured Creditors and their successors and assigns.

15. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except with the written consent of each Guarantor directly affected thereby and with the written consent of either (x) the Administrative Agent, the Collateral Agent and the Required Lenders (or, to the extent required by Section 12.10 of the Credit Agreement, with the written consent of each Lender) at all times prior to the time on which all Credit Document Obligations have been paid in full or (y) the holders of at least a majority of the outstanding Other Obligations at all times after the time on which all Credit Document Obligations have been paid in full; provided , that any change, waiver, modification or variance affecting the rights and benefits of a single Class (as

defined below) of Secured Creditors (and not all Secured Creditors in a like or similar manner) shall also require the written consent of the Requisite Creditors (as defined below) of such Class of Secured Creditors (it being understood that the addition or release of any Guarantor hereunder in accordance with the terms hereof or the Credit Agreement shall not constitute a change, waiver, discharge or termination affecting any Guarantor other than the Guarantor so added or released and shall not require the consent of any Secured Creditor other than the Administrative Agent). For the purpose of this Guaranty, the term "Class" shall mean each class of Secured Creditors, i.e., whether (x) the Lender Creditors as holders of the Credit Document Obligations or (y) the Other Creditors as the holders of the Other Obligations. For the purpose of this Guaranty, the term "Requisite Creditors" of any Class shall mean (x) with respect to the Credit Document Obligations, the Required Lenders (or, to the extent required by Section 12.10 of the Credit Agreement, each Lender) and (y) with respect to the Other Obligations, the holders of at least a majority of all obligations outstanding from time to time under the Secured Bank Product Obligations.

16. Each Guarantor acknowledges that an executed (or conformed) copy of each of the Credit Documents, and Secured Bank Product Obligations has been made available to a senior officer of such Guarantor and such officer is familiar with the contents thereof.

17. In addition to any rights now or hereafter granted under applicable law (including, without limitation, Section 151 of the New York Debtor and Secured Creditor Law) and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default (such term to mean and include any "Event of Default" as defined in the Credit Agreement and any payment default under any Secured Bank Product Obligations continuing after any applicable grace period), each Secured Creditor is hereby authorized, at any time or from time to time, without notice to any Guarantor or to any other Person, any such notice being expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Secured Creditor to or for the credit or the account of such Guarantor, against and on account of the obligations and liabilities of such Guarantor to such Secured Creditor under this Guaranty, irrespective of whether or not such Secured Creditor shall have made any demand hereunder and although said obligations, liabilities, deposits or claims, or any of them, shall be contingent or unmatured.

18. All notices, requests, demands or other communications pursuant hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by overnight courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Administrative Agent or any Guarantor shall not be effective until received by the Administrative Agent or such Guarantor, as the case may be. All notices and other communications shall be in writing and addressed to such party at (i) in the case of any Lender Creditor, as provided in the Credit Agreement, (ii) in the case of any Guarantor, at: Bauer Performance Sports Ltd. 100 Domain Drive, Exeter, NH, 03833, Attention: Michael Wall, Vice President and General Counsel, Telephone No.: 603-610-5805, Telecopier No.: 603-430-7332, and (iii) in the case of any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Lead Borrowers and the Administrative Agent; or in any case at such other address

as any of the Persons listed above may hereafter notify the others in writing.

19. If claim is ever made upon any Secured Creditor for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including the Parent, the Lead Borrowers or any other Guaranteed Party) then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or other instrument evidencing any liability of the Borrowers or any other Guaranteed Party, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

20. (a) THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE SECURED CREDITORS AND OF THE UNDERSIGNED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS THAT WOULD CAUSE THE LAW OF ANY OTHER JURISDICTION TO APPLY. Any legal action or proceeding with respect to this Guaranty or any other Credit Document to which any Guarantor is a party may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York in each case which are located in the County of New York, and, by execution and delivery of this Guaranty, each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby further irrevocably waives any claim that any such court lacks personal jurisdiction over it, and agrees not to plead or claim in any legal action or proceeding with respect to this Guaranty or any other Credit Document to which it is a party brought in any of the aforesaid courts that any such court lacks personal jurisdiction over such Guarantor. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth in Section 18 hereof, such service to become effective 30 days after such mailing. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other Credit Document to which it is a party that such service of process was in any way invalid or ineffective. Nothing herein shall affect the right of any such party to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

(b) Each Guarantor and each Secured Party (by its acceptance of the benefits of this Guaranty) hereby irrevocably waives (to the fullest extent permitted by applicable law) any objection which it may now or hereafter have to the laying of venue of any of the

aforesaid actions or proceedings arising out of or in connection with this Guaranty or any other Credit Document to which such Guarantor is a party brought in the courts referred to in clause (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) EACH GUARANTOR AND EACH SECURED CREDITOR (BY ITS ACCEPTANCE OF THE BENEFITS OF THIS GUARANTY) HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY, THE OTHER CREDIT DOCUMENTS TO WHICH SUCH GUARANTOR IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

21. In the event that a Guarantor becomes an Excluded Subsidiary or all of the capital stock of a Guarantor is sold or otherwise disposed of or liquidated in compliance with the requirements of Section 9.02 of the Credit Agreement (or such sale or other disposition has been approved in writing by the Required Lenders (or all the Lenders if required by Section 12.10 of the Credit Agreement)) and the proceeds of such sale, disposition or liquidation are applied in accordance with the provisions of the Credit Agreement, to the extent applicable, such Guarantor shall upon consummation of such sale or other disposition (except to the extent that such sale or disposition is to another Credit Party) be released from this Guaranty automatically and without further action and this Guaranty shall, as to each such Guarantor, terminate, and have no further force or effect (it being understood and agreed that the sale of one or more Persons that own, directly or indirectly, all of the capital stock of any Guarantor shall be deemed to be a sale of such Guarantor for the purposes of this Section 21).

22. At any time a payment in respect of the Guaranteed Obligations is made under this Guaranty, the right of contribution of each Guarantor against each other Guarantor shall be determined as provided in the immediately following sentence, with the right of contribution of each Guarantor to be revised and restated as of each date on which a payment (a "**Relevant Payment**") is made on the Guaranteed Obligations under this Guaranty. At any time that a Relevant Payment is made by a Guarantor that results in the aggregate payments made by such Guarantor in respect of the Guaranteed Obligations to and including the date of the Relevant Payment exceeding such Guarantor's Contribution Percentage (as defined below) of the aggregate payments made by all Guarantors in respect of the Guaranteed Obligations to and including the date of the Relevant Payment (such excess, the "**Aggregate Excess Amount**"), each such Guarantor shall have a right of contribution against each other Guarantor who has made payments in respect of the Guaranteed Obligations to and including the date of the Relevant Payment in an aggregate amount less than such other Guarantor's Contribution Percentage of the aggregate payments made to and including the date of the Relevant Payment by all Guarantors in respect of the Guaranteed Obligations (the aggregate amount of such deficit, the "**Aggregate Deficit Amount**") in an amount equal to (x) a fraction the numerator of which is the Aggregate Excess Amount of such Guarantor and the denominator of which is the Aggregate Excess Amount of all Guarantors multiplied by (y) the Aggregate Deficit Amount of such other Guarantor. A Guarantor's right of contribution pursuant to the preceding sentences shall arise at the time of each computation, subject to adjustment to the

time of each computation; *provided* that no Guarantor may take any action to enforce such right until the Guaranteed Obligations have been irrevocably paid in full in cash, it being expressly recognized and agreed by all parties hereto that any Guarantor's right of contribution arising pursuant to this Section 22 against any other Guarantor shall be expressly junior and subordinate to such other Guarantor's obligations and liabilities in respect of the Guaranteed Obligations and any other obligations owing under this Guaranty. As used in this Section 22: (i) each Guarantor's "**Contribution Percentage**" shall mean the percentage obtained by dividing (x) the Adjusted Net Worth (as defined below) of such Guarantor by (y) the aggregate Adjusted Net Worth of all Guarantors; (ii) the " **Adjusted Net Worth**" of each Guarantor shall mean the greater of (x) the Net Worth (as defined below) of such Guarantor and (y) zero; and (iii) the "Net Worth" of each Guarantor shall mean the amount by which the fair saleable value of such Guarantor's assets on the date of any Relevant Payment exceeds its existing debts and other liabilities (including contingent liabilities, but without giving effect to any Guaranteed Obligations arising under this Guaranty) on such date. Notwithstanding anything to the contrary contained above, any Guarantor that is released from this Guaranty shall thereafter have no contribution obligations, or rights, pursuant to this Section 22, and at the time of any such release, if the released Guarantor had an Aggregate Excess Amount or an Aggregate Deficit Amount, same shall be deemed reduced to $0, and the contribution rights and obligations of the remaining Guarantors shall be recalculated on the respective date of release (as otherwise provided above) based on the payments made hereunder by the remaining Guarantors. All parties hereto recognize and agree that, except for any right of contribution arising pursuant to this Section 22, each Guarantor who makes any payment in respect of the Guaranteed Obligations shall have no right of contribution or subrogation against any other Guarantor in respect of such payment until all of the Guaranteed Obligations have been irrevocably paid in full in cash. Each of the Guarantors recognizes and acknowledges that the rights to contribution arising hereunder shall constitute an asset in favor of the party entitled to such contribution. In this connection, each Guarantor has the right to waive its contribution right against any Guarantor to the extent that after giving effect to such waiver such Guarantor would remain solvent, in the reasonable determination of the Required Lenders.

23. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby confirms that it is its intention that this Guaranty not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act of any similar federal, foreign, state or provincial law. To effectuate the foregoing intention, each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby irrevocably agrees that the Guaranteed Obligations guaranteed by such Guarantor shall be limited to such amount as will, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of such Guarantor that are relevant under such laws and after giving effect to any rights to contribution pursuant to any agreement providing for an equitable contribution among such Guarantor and the other Guarantors, result in the Guaranteed Obligations of such Guarantor in respect of such maximum amount not constituting a fraudulent transfer or conveyance.

24. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Guarantors and the Administrative Agent.

25. All payments made by any Guarantor hereunder will be made without setoff, counterclaim or other defense (other than payment in cash of such Guaranteed Obligations made in accordance with the terms of this Guaranty) and on the same basis as payments are made by the Borrowers under Sections 2.10 and 4.01 of the Credit Agreement.

26. It is understood and agreed that any Restricted Subsidiary of the Parent that is required to become a party to this Guaranty after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Guarantor hereunder by (x) executing and delivering a counterpart hereof, or a joinder agreement in the form of Exhibit A hereto, and delivering same to the Administrative Agent and (y) taking all actions as specified in this Guaranty as would have been taken by such Guarantor had it been an original party to this Guaranty, in each case with all documents required by the Credit Documents to be delivered to the Administrative Agent and with all documents and actions required by the Credit Documents to be taken to the reasonable satisfaction of the Administrative Agent.

27. If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Secured Creditors under any Credit Document or for the payment of damages in respect of any breach of any Credit Document, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable under the relevant Credit Document (the " **Agreed Currency**"), each Guarantor shall indemnify and hold the Secured Creditors harmless against any deficiency in terms of the Agreed Currency in the amounts received by that Secured Creditor arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which that Secured Creditor is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by that Secured Creditor on the date of receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Credit Parties under the Credit Documents and shall apply irrespective of any indulgence granted by the Secured Creditors.

28. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party party hereto to honor all of its obligations under this Guaranty in respect of Swap Obligations; *provided* however , that each Qualified ECP Guarantor shall only be liable under this Section 28 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 28, or otherwise under this Guaranty, as it relates to such Credit Party, voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. The obligations of each Qualified ECP Guarantor under this Section 28 shall remain in full force and effect until all the Guaranteed Obligations have been paid in full and the commitments relating thereto have expired or been terminated. Each Qualified ECP Guarantor intends that this Section 28 constitute, and this Section 28 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

The following terms shall have the meanings herein specified. Such definitions shall be

equally applicable to the singular and plural forms of the terms defined. "Commodity Exchange Act" means the U.S. Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute. "Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the U.S. Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder (determined after giving effect to Section 28 of this Guaranty and any and all Guarantees of such Guarantor's Swap Obligations by other Guarantors) at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation, unless otherwise agreed by the Administrative Agent and the Parent, each in its sole discretion. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated there-under and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Swap Obligation**" means with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

* * *

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

BPS GREENLAND CORP.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.,

as Guarantors

By: _____

Name:
Title:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT A

Form of
JOINDER AGREEMENT

Reference is made to the Credit Agreement, dated as of April 15, 2014 among BAUER PERFORMANCE SPORTS LTD. ("Parent"), BAUER HOCKEY CORP. and BAUER HOCKEY, INC. (together, the "Lead Borrowers"), the other borrowers party thereto (each, a "Subsidiary **Borrower**" and together with the Lead Borrowers, the "Borrowers"), the lenders party thereto from time to time (the "**Lenders**"), Bank of America, N.A., as administrative agent (together with any successor administrative agent, the "**Administrative Agent**"), the Swingline Lender and Issuing Banks party thereto, have entered into a Credit Agreement, dated as of even date herewith (as amended, modified, restated and/or supplemented from time to time, the "**Credit Agreement**").

W I T N E S S E T H:

WHEREAS, the Guarantors have entered into the ABL Guaranty in order to induce the Lenders to make the Revolving Loans to, and issue Letters of Credit to, the Borrowers and the Other Creditors to enter into Secured Bank Product Obligations with the Parent, the Lead Borrowers and/or one or more of their Subsidiaries;

WHEREAS, pursuant to Section 8.12 of the Credit Agreement and Section 26 of the ABL Guaranty, each Credit Party that is or becomes a Restricted Subsidiary of the Parent after the Closing Date is required to become a Guarantor under the Credit Agreement. The undersigned Subsidiary (the "**New Guarantor**") is executing this joinder agreement ("**Joinder Agreement**") to the ABL Guaranty as required by the Credit Agreement.

NOW, THEREFORE, the Administrative Agent and the New Guarantor hereby agree as follows:

1 . *Guarantee*. In accordance with Section 26 of the ABL Guaranty, the New Guarantor by its signature below becomes a Guarantor (as defined in the ABL Guaranty) under the ABL Guaranty with the same force and effect as if originally named therein as a Guarantor (as defined in the ABL Guaranty).

2. *Representations and Warranties*. The New Guarantor hereby (a) agrees to all the terms and provisions of the ABL Guaranty applicable to it as a Guarantor, respectively, thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) on and as of the date hereof. Each reference to a Guarantor in the Credit Agreement and to a Guarantor in the ABL Guaranty shall be deemed to include the New Guarantor.

3. *Severability*. Any provision of this Joinder Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such

prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4. *Counterparts*. This Joinder Agreement may be executed in counterparts, each of which shall constitute an original. Delivery of an executed signature page to this Joinder Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Joinder Agreement.

5. *No Waiver*. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

6. *Notices*. All notices, requests and demands to or upon the New Guarantor, any Agent or any Lender shall be governed by the terms of Section 18 of the ABL Guaranty.

7. *Governing Law*. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS THAT WOULD CAUSE THE LAW OF ANY OTHER JURISDICTION TO APPLY.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

[ ],

as a Guarantor

By: _____
Title:

Address for Notices:

Accepted and Agreed to:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT I

FORM OF SOLVENCY CERTIFICATE

[_____], 201[ ]

This SOLVENCY CERTIFICATE (this " **Certificate**") is delivered in connection with that certain Credit Agreement dated as of April 15, 2014 (as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time, the "**Credit Agreement**") among Bauer Performance Sports Ltd. (the " **Parent**"), Bauer Hockey Corp. (the "**Lead Canadian Borrower**"), Bauer Hockey Inc. (the "**Lead U.S. Borrower**", together with the Lead Canadian Borrower, " **Lead Borrowers**"), the Subsidiary Borrowers, Bank of America, N.A., as administrative agent and collateral agent, the financial institutions from time to time party thereto as lenders and the other parties thereto. Capitalized terms used herein without definition have the same meanings as in the Credit Agreement.

In my capacity as chief financial officer of the Borrower, and not in my individual or personal capacity, I believe that:

1. Company (as used herein "**Company**" means the Parent and each of its subsidiaries, taken as a whole) is not now, nor will the incurrence of the obligations under the Credit Agreement and the consummation of the Acquisition on the Closing Date, on a pro forma basis, render Company "insolvent" as defined in this paragraph; in this context, "insolvent" means that (i) the fair value of assets is less than the amount that will be required to pay the total liability on existing debts as they become absolute and matured and (ii) the present fair salable value of assets is less than the amount that will be required to pay the probable liability on existing debts as they become absolute and matured, (iii) it is unable to meet its obligations as they generally become due, or (iv) it ceases to pay its current obligations in the ordinary course of business as they generally become due, or (v) its aggregate property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be, sufficient to enable payment of all obligations, due and accruing due. The term "debts" as used in this Certificate includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent (to the extent any such contingent liabilities are reasonably anticipated to become due and matured), and "values of assets" shall mean the amount of which the assets (both tangible and intangible) in their entirety would change hands between a willing buyer and a willing seller, with a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under compulsion to act.

2. As of the date hereof, after giving effect to the incurrence of the obligations under the Credit Agreement and the consummation of the Acquisition, Company is able to pay its debts as they become absolute and mature.

3. The incurrence of the obligations under the Credit Agreement and the consummation of the Acquisition on the Closing Date, on a pro forma basis, will not leave Company with property remaining in its hands constituting "unreasonably small capital." I understand that "unreasonably small capital" depends upon the nature of the particular business or businesses conducted or to be

conducted, and I have reached my conclusion based on my current assumptions regarding the needs and anticipated needs for capital of the businesses conducted or anticipated to be conducted by Company in light of projected financial statements and available credit capacity, which current assumption I do not believe to be unreasonable in light of the circumstances applicable thereto.

I represent the foregoing information is provided to the best of my knowledge and belief and execute this Certificate as of the date first above written.

BAUER HOCKEY, INC.

By:
Name:
Title:

BAUER HOCKEY CORP.

By:
Name:
Title:

EXHIBIT J

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered to you pursuant to Section 8.01(d) of dated as of April 15, 2014 (as amended, restated, modified and/or supplemented from time to time, the "**Credit Agreement**"), among Bauer Performance Sports Ltd. (the "**Parent**"), Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers, various Lenders, Bank of America, N.A., as Administrative Agent and Collateral Agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as therein defined.

1. I am a duly elected, qualified and acting Responsible Officer of the Parent.

2. I have reviewed and am familiar with the contents of this Compliance Certificate. I am providing this Compliance Certificate solely in my capacity as [_____] of the Parent. The matters set forth herein are true to the best of my knowledge after due inquiry.

3. I have reviewed the terms of the Credit Agreement and the other Credit Documents and have made or caused to be made under my supervision a review in reasonable detail of the transactions and condition of each of the Lead Borrowers and its Restricted Subsidiaries during the accounting period covered by the financial statements attached hereto as ANNEX 1 (the "**Financial Statements**"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or an Event of Default[, except as set forth below and specifying the nature and extent thereof].

4. Attached hereto as ANNEX 2 is the reasonably detailed calculation with respect to the Consolidated Fixed Charge Coverage Ratio.

5. Attached hereto as ANNEX 3 is the information required by Section 8.01(d) of the Credit Agreement as of the date of this Compliance Certificate.

* * *

IN WITNESS WHEREOF, I have executed this Compliance Certificate this _____ day of _____, 2012.

BAUER PERFORMANCE SPORTS
LTD.

By: _____
Name:
Title: Chief Financial Officer

Financial Statements to be Attached

Consolidated Fixed Charge Coverage Ratio

A. Consolidated EBITDA

1. Consolidated Net Income $___

(i) Net income of the Parents and its Restricted Subsidiaries for such Period $___

(ii) Net income of any other Person which is not a Restricted Subsidiary of the Parent or is accounted for by the Parent by the equity method of accounting

(a) If net income: only to the extent of the payment of dividends, distributions or other payment that are actually paid in cash (or to the extent converted into cash) by such other Person to the Borrower or a Restricted Subsidiary thereof during such period $___

(b) If net loss: only to the extent of any losses actually funded (through Investments or otherwise) by the Borrower or a Restricted Subsidiary thereof during such period $___

(iii) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including relating to the Transaction and any reconstruction, recommissioning or reconfiguration of fixed assets for alternate uses) $___

(iv) the cumulative effect of a change in accounting principles during such period, whether effected through a cumulative effect adjustment or a retroactive application, in each case in accordance with IFRS $___

(v) any net after-tax effect (using a reasonable estimate based on applicable tax rates) from disposed, abandoned or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned or discontinued operations $___

(vi) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or the sale or other disposition of any Equity Interests of any Person other than in the ordinary course of business, as determined in good faith by the Borrower $___

(vii) any effects of purchase accounting (including the effects of such adjustments pushed down to such Person and its Subsidiaries) in component amounts required or permitted by IFRS, resulting from the application of purchase accounting in relation to the Transaction or any Permitted Acquisition or Investment that is consummated after the Closing Date, net of taxes, or the amortization or write-up, writedown or write-off of any amounts thereof, net of taxes $___

(viii) any net after-tax effect (using a reasonable estimate based on applicable tax rates) from the early extinguishment of Indebtedness, Swap Contracts or Bank Product Debt or other derivative obligations $___

(ix) any net unrealized after-tax gain or loss resulting from Swap Contracts or Bank Product Debt or other derivative instruments and the application of the application of Accounting Standards Codification No. 815 and their respective related pronouncements and interpretations $___

(x) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of any impairment charge or asset write-off, write-up or write-down and the amortization of intangibles and other fair value adjustments, in each case pursuant to IFRS $___

(xi) any net after-tax effect (using a reasonable estimate based on applicable tax rates) of non-cash compensation expense recorded from grants or periodic remeasurements of stock appreciation or similar rights, stock options, restricted stock or other rights or any other issuance of Equity Interests to employees, directors or consultants of the Borrower or any of its Restricted Subsidiaries or any compensation expense arising out of the Borrower's existing supplemental executive retirement plans $___

(xii) accruals and reserves that are established after 12 months after the Closing Date that are required to be established as a result of the Transaction in accordance with IFRS $___

(xiii) any adjustments attributable to foreign currency translations, including those relating to mark-to-market of Indebtedness denominated in foreign currencies resulting from the application of IFRS, including ASC No. 830 $___

(xiv) to the extent covered by insurance and actually reimbursed, or, so long as such person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (x) not denied by the applicable carrier in writing within 180 days and (y) in fact reimbursed within 365 days following the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption $___

(xv) (a) amounts estimated in good faith to be received from insurance in respect of lost revenues or earnings in respect of liability or casualty events or business interruption $___

(b) amounts actually received up to such estimated amount to the extent included in Consolidated Net Income in a future period $___

A1.1. Consolidated Net Income = A1(i) + (ii)(a)+(ii)(b) –(iii)-(iv)-(v)-(vi)-(vii)-(viii)-(ix)-(x)-(xi)-(xii)-(xiii)-(xiv)+(xv)(a)-(xv)(b) $___

2.

(i) Interest Expense $___

(ii) provision for taxes based on income or profits or capital (or any alternative tax in lieu thereof), including, without limitation, federal, foreign, state, provincial, franchise and similar taxes and foreign withholding taxes of the Parent and its Restricted Subsidiaries for such period, including payments made pursuant to any tax sharing agreements or arrangements among the Parent and its Restricted Subsidiaries (including penalties and interest related to taxes or arising from tax examinations) $___

(iii) Consolidated Depreciation and Amortization Expense of such Person for such period $___

(iv) other costs or expense pursuant to any management equity plan, supplemental executive retirement plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Parent or net cash proceeds of an issuance of common Equity Interests of the Parent or Qualified Preferred Stock $___

(v) any compensation expense (whether cash or non-cash) resulting from the repurchase of any Equity Interests of the Parent from employees, directors or consultants of the Parent or any of its Restricted Subsidiaries, in each case pursuant to the provisions of Section 9.03(c) of the Credit Agreement $___

(vi) any up-front fees, transaction costs, commissions, expenses, premiums or charges related to any equity offering, permitted investment, acquisition, disposal or incurrence, repayment, amendment or modification of Indebtedness permitted by this Agreement (whether or not successful) and up-front or financing fees, transaction costs, commissions, expenses, premiums or charges related to the Transaction and any nonrecurring merger or business acquisition transaction costs incurred during such period (in each case whether or not successful) $___

(vii) cash restructuring charges or reserves and business optimization expense, including any restructuring costs and integration costs incurred in connection with Permitted Acquisitions after the Closing Date, costs related to the opening and closure and/or consolidation of facilities, retention charges, contract termination costs, retention, recruiting, relocation, severance and signing bonuses and expenses, transaction fees and expenses, future lease commitments, systems establishment costs, conversion costs and excess pension charges, consulting fees and any one-time expense relating to enhanced accounting function or any other costs incurred in connection with any of the foregoing; *provided* that the aggregate amount of add backs made pursuant to this item (vii) for any period of four consecutive fiscal quarters, when added to the aggregate amount of add backs made pursuant to item (viii) below for such period of four consecutive fiscal quarters, shall not exceed an amount equal to 15% of Consolidated EBITDA for such period of four consecutive fiscal quarters (without giving effect to any adjustments pursuant to this item (vii) or item (viii) below) $___

(viii) the amount of net cost savings, operating expense reductions, other operating improvements and acquisition synergies projected by the Parent in good faith to be realized during such period (calculated on a *pro forma* basis as though such items had been realized on the first day of such period) as a result of actions taken or to be taken in connection with the Transaction or any acquisition or disposition or operational change by the Parent or any Restricted Subsidiary, net of the amount of actual benefits realized during such period that are otherwise included in the calculation of Consolidated EBITDA from such actions, *provided* that (A) a duly completed certificate signed by a Responsible Officer of the Parent shall be delivered to the Administrative Agent with the Compliance Certificate required to be delivered pursuant to Section 8.01(d) of the Credit Agreement, certifying that (x) such cost savings, operating expense reductions, other operating improvements and synergies are reasonably expected and factually supportable in the good faith judgment of the Parent, and (y) such actions are to be taken within (I) in the case of any such cost savings, operating expense reductions, other operating improvements and synergies in connection with the Transaction, 12 months after the Closing Date and (II) in all other cases, within 12 months after the consummation of the acquisition, disposition, restructuring or the implementation of an initiative, which is expected to result in such cost savings, expense reductions, other operating improvements or synergies, (B) no cost savings, operating expense reductions, other operating improvements and synergies shall be added pursuant to this item (viii) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, for such period, (C) to the extent that any cost savings, operating expense reductions, other operating improvements and synergies are not associated with the Transaction or any other specified transaction, all steps shall have been taken for realizing such savings, (D) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this item (viii) to the extent occurring more than four full fiscal quarters after the specified action taken in order to realize such projected cost savings, operating expense reductions and synergies and (E) the aggregate amount of add backs made pursuant to this item (viii) for any period of four consecutive fiscal quarters, when added to the aggregate amount of add backs made pursuant to item (vii) above for such period of four consecutive fiscal quarters, shall not exceed an amount equal to 15% of Consolidated EBITDA for such period of four consecutive fiscal quarters (without giving effect to any adjustments pursuant to this item (viii) or item (vii) above) $

(ix) to the extent covered by insurance and actually reimbursed or otherwise paid, or, so long as the Parent has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed or otherwise paid by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed or otherwise paid within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed or otherwise paid within such 365 days), expenses with respect to liability or casualty events and expenses or losses relating to business interruption $___

(x) expenses to the extent covered by contractual indemnification or refunding provisions in favor of the Parent or a Restricted Subsidiary and actually paid or refunded, or, so long as the Parent has made a determination that there exists reasonable evidence that such amount will in fact be paid or refunded by the indemnifying party or other obligor and only to the extent that such amount is (A) not denied by the applicable indemnifying party or obligor in writing within 90 days and (B) in fact reimbursed within 180 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 180 days) $___

(xi) the amount of any minority expense $___

(xii) all non-cash charges and non-cash losses which were included in arriving at Consolidated Net Income for such period (excluding any such non-cash charges or non-cash losses to the extent that they represent an accrual or reserve for potential cash charges or losses in any future period or amortization of a prepaid cash charge or loss that was paid in a prior period) $___

2.1 Total (Lines A.1.1 + A.2(i) +(ii) +(iii)+(iv)+(v)+ (vi)+(vii)+ (viii) + (ix)+ (x)+ (xi)+ (xii)-(xiii)) $___

3. (i) all non-cash gains to the extent included in Consolidated Net Income for such period $___

(ii) any non-cash gains to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period $___

3.1 Difference (Line (A.3(i)-A.3(ii)) $___

3.2 Consolidated EBITDA (Line 2.1 – 3.1) $___

B. Capital Expenditures paid in cash

1. all expenditures by such Person which should be capitalized in accordance with IFRS and, without duplication, the amount of Capital Expenditures incurred by such Person $___

2 (i) the purchase price paid in connection with the Acquisition or a Permitted Acquisition $___

(ii) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for such existing equipment being traded in at such time $___

(iii) expenditures made in leasehold improvements, to the extent reimbursed by the landlord $___

(iv) expenditures to the extent that they are actually paid for by a third party (excluding any Credit Party or any of its Restricted Subsidiaries) and for which no Credit Party or any of its Restricted Subsidiaries has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such third party or any other Person (whether before, during or after such period) $___

(v) property, plant and equipment taken in settlement of accounts $___

2.1 Total (Lines B.2(i) + (ii)+(iii)+(iv)+(v)) $___

3. the proceeds of any Indebtedness (other than Indebtedness hereunder $___

4. Capital Expenditure Paid in Cash (Line B.1 – Line B.2.1-Line B.3) $___

C. the amount of cash payments made during such period by the Parent and its Restricted Subsidiaries in respect of federal, state, provincial, local and foreign income taxes based on income or profits or capital (or any alternative tax in lieu thereof), including, without limitation, federal, foreign, state, provincial, franchise and similar taxes and foreign withholding taxes $___

D. Consolidated Fixed Charges

1. Consolidated Interest Charges for such period to the extent paid in cash (or accrued and payable on a current basis in cash) $___

2. the aggregate amount of scheduled amortization payments of principal made or required to be made during such period in respect of long-term Consolidated Indebtedness of the Parent and its Restricted Subsidiaries $___

3 . the aggregate amount of all Dividends permitted by Sections 9.03(f) and 9.03(h) of the Credit Agreement paid during such period $___

E. Consolidated Fixed Charge Coverage Ratio

1. (Line A3.2 – Line B.4 – Line C)/Line D ___:1.00

1. It is hereby certified that there have been no changes to Annexes A through D and Annex F through H, in each case of the ABL Security Agreement, and Annexes A through E of the ABL Pledge Agreement, in each case since the Closing Date or, if later, since the date of the most recent Compliance Certificate delivered pursuant to Section 8.01(d) of the Credit Agreement[, except as specially set forth below]:

[_____
_____
_____]

[All actions required to be taken by the Credit Agreement and the Security Documents as a result of the changes described above have been taken].

EXHIBIT K

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of the [Assignors] [Assignees] hereunder are several and not joint.] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the " Standard Terms and Conditions ") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to the [Assignee][respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from the [Assignor][respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the [Assignor's][respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the [Assignor][respective Assignors] as further detailed below (including without limitation any guarantees), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the [Assignor (in its capacity as a Lender)][respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the] [any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

_____
Assignor is[not] a Defaulting Lender]

2. Assignee[s]: _____

_____
[for each Assignee, indicate if an Affiliate of [*identify Lender*]]

3. Lead Borrowers: Bauer Hockey Corp. and Bauer Hockey, Inc.

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement dated as of April 15, 2014 among Bauer Performance Sports Ltd., Bauer Hockey Corp., Bauer Hockey, Inc., the subsidiary borrowers party thereto, various Lenders and Bank of America, N.A., as Administrative Agent and the other agents party thereto.

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Aggregate Amount of Commitment /Revolving Loans for all Lenders	Amount of Commitment/Revolving Loans Assigned	Percentage Assigned of Commitment/ Revolving Loans[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7. Trade Date: _____]

[Page break]

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

Consented to and Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent

By: _____
Title:

[_____], as
Issuing Bank

By: _____
Title:

[_____], as
Swingline Lender

By: _____
Title:

[Consented to:

Bauer Performance Sports Ltd.

By: _____
Title:]

CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Parent, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document, or (iv) the performance or observance by the Borrowers, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 12.04(b) of the Credit Agreement (subject to such consents, if any, as may be required under Section 12.04(b) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 8.01(b) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not

taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the] [each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT L

FORM OF INTERCREDITOR AGREEMENT
[See Attached.]

ABL/TERM INTERCREDITOR AGREEMENT

This ABL/TERM INTERCREDITOR AGREEMENT (as amended, restated, supplemented, amended or restated or otherwise modified from time to time in accordance with its terms, this "**Agreement**"), dated as of April 15, 2014, by and among BAUER PERFORMANCE SPORTS LTD., a British Columbia corporation (the "**Parent**"), BAUER HOCKEY CORP., a Canadian corporation (the "**Lead Canadian Borrower**"), BAUER HOCKEY, INC., a Vermont corporation, (the "**Lead U.S. Borrower**" and, together with the Lead Canadian Borrower, the "**Lead Borrowers**"), each additional Subsidiary of the Parent party hereto from time to time as an ABL Borrower or Guarantor, Bank of America, N.A. ("**Bank of America**"), as administrative agent for the holders of the ABL Obligations (as defined below) (in such capacity, together with its permitted successors and assigns, the "**ABL Administrative Agent**"), as collateral agent for the holders of the ABL Obligations (in such capacity, together with its permitted successors and assigns (including in connection with any Refinancing), the "**ABL Collateral Agent**"), as administrative agent for the holders of the Initial Fixed Asset Obligations (as defined below) (in such capacity, together with its permitted successors and assigns, the "**Initial Fixed Asset Administrative Agent**") and as collateral agent for the holders of the Initial Fixed Asset Obligations (in such capacity, together with its permitted successors and assigns, the "**Initial Fixed Asset Collateral Agent**").

RECITALS

The Parent, the Lead Borrowers, the other borrowers party thereto (together with the Lead Borrowers, the "**ABL Borrowers**"), the lenders party thereto and Bank of America, as ABL Administrative Agent and ABL Collateral Agent have entered into that certain asset-based revolving credit agreement, dated as of the date hereof, providing a revolving credit facility to the ABL Borrowers (as amended, restated, supplemented, amended and restated, replaced, Refinanced or otherwise modified from time to time in accordance with the terms thereof, the "**ABL Credit Agreement**");

The Parent (as a borrower, the "**Term Loan Borrower**"), the lenders from time to time party thereto, Bank of America, as Initial Fixed Asset Administrative Agent and Initial Fixed Asset Collateral Agent, have entered into that certain term loan credit agreement, dated as of the date hereof, providing a term loan facility (as amended, restated, supplemented, amended and restated, replaced, Refinanced or otherwise modified from time to time in accordance with the terms thereof, the "**Initial Fixed Asset Credit Agreement**" and, together with the ABL Credit Agreement, the "**Credit Agreements**");

The ABL Credit Agreement and the Initial Fixed Asset Credit Agreement permit the ABL Borrowers and the Term Loan Borrower, respectively, to incur additional indebtedness secured by a Lien on the Collateral ranking equal to or junior to the Lien securing the applicable Credit Agreement;

In order to induce the ABL Administrative Agent, the ABL Collateral Agent and the ABL Lenders to enter into the ABL Credit Agreement and the Initial Fixed Asset Administrative Agent, the Initial Fixed Asset Collateral Agent and the Initial Fixed Asset Lenders to enter into the Initial Fixed Asset Credit Agreement, the ABL Collateral Agent and the Initial Fixed Asset Collateral Agent have agreed to the relative priority of their respective Liens on the Collateral and certain other rights, priorities and interests as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS.

Section 1.01. *Defined Terms*. As used in the Agreement, the following terms shall have the following meanings:

"**ABL Administrative Agent**" has the meaning assigned to that term in the Preamble of this Agreement.

"**ABL Borrowers**" has the meaning assigned to such terms on the Recitals of this Agreement.

"**ABL Claimholders**" means, at any relevant time, the holders of ABL Obligations at that time, including the "Secured Creditors" as defined in the U.S. ABL Security Agreement and the "Secured Creditors" as defined in the Canadian ABL Security Agreement.

"**ABL Collateral**" means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any ABL Obligations.

"**ABL Credit Agreement**" has the meaning assigned to that term in the Recitals to this Agreement, including, for the avoidance of doubt, any Refinancing of the ABL Credit Agreement.

"**ABL Credit Documents**" means the ABL Credit Agreement, the Credit Documents (as defined in the ABL Credit Agreement), any agreement in respect of any Secured Bank Product Obligation (as defined in the ABL Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other ABL Obligation, and any other document or instrument executed or delivered at any time in connection with any ABL Obligations, including any intercreditor or joinder agreement among holders of ABL Obligations to the extent such are effective at the relevant time, as

each may be amended, restated, supplemented, amended and restated, replaced, refinanced or otherwise modified from time to time in accordance with the provisions of this Agreement.

"**ABL Collateral Agent**" has the meaning assigned to that term in the Preamble of this Agreement.

"**ABL Collateral Documents**" means the Security Documents (as defined in the ABL Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted by any Grantor securing any ABL Obligations or under which rights or remedies with respect to such Liens are governed.

"**ABL Credit Party**" means each "Credit Party" as defined in the ABL Credit Agreement.

"**ABL Default**" means an "Event of Default" as defined in the ABL Credit Agreement.

"**ABL Lenders**" means the "Lenders" under and as defined in the ABL Credit Agreement.

"**ABL Mortgages**" means a collective reference to each mortgage, deed of trust and any other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any ABL Obligations or (except for this Agreement) under which rights or remedies with respect to any such Liens are governed.

"**ABL Obligations**" means all "Obligations" (as defined in the ABL Credit Agreement) and other obligations of every nature of each Grantor from time to time owed to any ABL Claimholder or any of its Affiliates under any ABL Credit Document.

"**ABL Priority Collateral**" means the following assets of the Borrowers and the Guarantors: (a) all accounts receivable (except to the extent constituting proceeds of equipment, real property or intellectual property and intercompany loans); (b) all inventory; (c) all instruments, chattel paper and other contracts, in each case, evidencing, or substituted for, any accounts receivable referred to in clause (a) above; (d) all guarantees, letters of credit, security and other credit enhancements in each case for the accounts receivable; (e) all documents of title for any inventory referred to in clause (b) above; (f) all commercial tort claims and general intangibles in each case to the extent relating to any of the accounts receivable referred to in clause (a) above or inventory referred to in clause (b) above, but excluding intercompany debt and Capital Stock; (g) all bank accounts, securities accounts (including all cash and other funds on deposit therein, except to the extent constituting identifiable proceeds of the Fixed Asset Priority Collateral or any such account which holds solely such identifiable proceeds of the Fixed Asset Priority Collateral) or Investment Property but excluding Excluded Deposit Accounts (as defined in the ABL Credit Agreement) and any Capital Stock; (h) all tax refunds; (i) all Supporting Obligations, Documents and books and records relating to any of the foregoing; and (j) all substitutions, replacements, accessions, products or proceeds (including, without limitation, insurance

proceeds) of any of the foregoing, in each case, except to the extent constituting Excluded Collateral; *provided*, *however*, that to the extent that identifiable Proceeds of Fixed Asset Priority Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute ABL Priority Collateral after an Enforcement Notice, then (as provided in Section 3.05) such identifiable Proceeds shall be treated as Fixed Asset Priority Collateral for purposes of this Agreement.

"**ABL Standstill Period**" has the meaning assigned to that term in Section 3.02(a)(i).

"**ABL Security Agreements**" shall mean the U.S. ABL Security Agreement and the Canadian ABL Security Agreement.

"**Access Acceptance Notice**" has the meaning assigned to that term in Section 3.03(b).

"**Access Period**" means for each parcel of Mortgaged Premises the period, after the commencement of an Enforcement Period, which begins on the day that the ABL Collateral Agent provides the Controlling Fixed Asset Collateral Agent with the notice of its election to request access to any Mortgaged Premises pursuant to Section 3.03(b) below and ends on the earliest of (a) the 180th day after the ABL Collateral Agent obtains the ability to use, take physical possession of, remove or otherwise control the use or access to the Collateral located on such Mortgaged Premises following a Collateral Enforcement Action plus such number of days, if any, after the ABL Collateral Agent obtains access to such Collateral that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Collateral located on such Mortgaged Premises, (b) the date on which all or substantially all of the ABL Priority Collateral located on such Mortgaged Premises is sold, collected or liquidated, (c) the date on which the Discharge of ABL Obligations has occurred and (d) the date on which the ABL Default or the Fixed Asset Default that was the subject of the applicable Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent, as applicable, or waived in writing in accordance with the requirements of the applicable Credit Agreement.

"**Additional Fixed Asset Claimholders**" means, at any relevant time, the holders of Additional Fixed Asset Obligations at that time.

"**Additional Fixed Asset Collateral Agent**" means, in the case of any Additional Fixed Asset Instrument and the Additional Fixed Asset Claimholders thereunder, the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Fixed Asset Instrument that is named as the Additional Fixed Asset Collateral Agent in respect of such Additional Fixed Asset Instrument hereunder pursuant to a Joinder Agreement.

"**Additional Fixed Asset Collateral Documents**" means any security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements,

guarantees, notes and any other documents or instruments now existing or entered into after the date hereof that create a Lien on any assets or properties of any Grantor to secure any Additional Fixed Asset Obligations owed thereunder to any Additional Fixed Asset Claimholders or under which rights or remedies with respect to such Liens are governed.

"**Additional Fixed Asset Debt**" means the principal amount of Indebtedness issued or incurred under any Additional Fixed Asset Instrument.

"**Additional Fixed Asset Documents**" means any Additional Fixed Asset Instrument, Additional Fixed Asset Collateral Document and any other Credit Document (or equivalent term as defined in any Additional Fixed Asset Instrument) and each of the other agreements, documents and instruments providing for or evidencing any other Additional Fixed Asset Obligation, including any document or instrument executed or delivered at any time in connection with any Additional Fixed Asset Obligations, including any intercreditor or joinder agreement among the holders of Additional Fixed Asset Obligations, to the extent such are effective at the relevant time.

"**Additional Fixed Asset Instrument**" means any (a) debt facilities, indentures or commercial paper facilities providing for revolving credit loans, term loans, notes, debentures, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (b) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (c) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, increased, replaced or refunded in whole or in part from time to time in accordance with each applicable Additional Fixed Asset Instrument; *provided* that neither the ABL Credit Agreement, the Initial Fixed Asset Credit Agreement nor any Refinancing of any of the foregoing in this proviso shall constitute an Additional Fixed Asset Instrument at any time.

"**Additional Fixed Asset Obligations**" means all obligations of every nature of each Grantor from time to time owed to any Additional Fixed Asset Claimholders or any of their respective Affiliates under any Additional Fixed Asset Documents, whether for principal, interest, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing. "Additional Fixed Asset Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Additional Fixed Asset Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**Additional Fixed Asset Secured Parties**" means, at any time any trustees, agents and other representatives of the holders of any Additional Fixed Asset Debt, the beneficiaries of each indemnification obligation undertaken by any Grantor under any Additional Fixed Asset Document and each other holder of, or obligee in respect of, any holder or lender pursuant to any Additional Fixed Asset Document outstanding at such time.

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by agreement or otherwise.

"**Agreement**" has the meaning assigned to that term in the Preamble of this Agreement.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"**Bankruptcy Law**" means each of the Bankruptcy Code, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), Winding-Up and Restructuring Act (Canada), any similar federal, state or foreign laws, rules or regulations for the relief of debtors or any liquidation, conservatorship, bankruptcy, reorganization, insolvency, moratorium, rearrangement, receivership or assignment for the benefit of creditors or any other marshalling of the assets and liabilities of any Person and any similar laws, rules or regulations relating to or affecting the enforcement of creditors' rights generally.

"**Bank Product**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Borrowers**" shall mean the Term Loan Borrower and the ABL Borrowers (each, a " **Borrower**").

"**Business Day**" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

"**Canadian ABL Security Agreement** " means the Canadian ABL Security Agreement, dated as of the date hereof, among the ABL Borrowers, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, restated, supplemented, amended and restated or otherwise modified from time to time in accordance with its terms.

"**Canadian Initial Fixed Asset Security Agreement** " means the Canadian Security Agreement, dated as of the date hereof, among the Term Loan Borrower, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, supplemented or otherwise modified from time to time.

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent

ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Cash Collateralize**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Cash Equivalents**" means:

(a) U.S. Dollars, Canadian Dollars, pounds sterling, euros, the national currency of any participating member state of the European Union or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(b) readily marketable direct obligations of any member of the European Economic Area, Switzerland, or Japan, or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, and, at the time of acquisition thereof, having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(c) marketable general obligations issued by any state of the United States or any province or territory of Canada or any political subdivision thereof or any instrumentality thereof that are guaranteed by the full faith and credit of such state, province or territory and, at the time of acquisition thereof, having a credit rating of at least AA- (or the equivalent grade) by Moody's or Aa3 by S&P;

(d) securities or any other evidence of Indebtedness or readily marketable direct obligations issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality of the United States or Canadian government (*provided* that the full faith and credit of the United States or Canada is pledged in support of those securities), in such case having maturities of not more than twelve months from the date of acquisition;

(e) certificates of deposit and eurodollar time deposits with maturities of twelve months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve months and overnight bank deposits, in each case, with any Initial Fixed Asset Lender or ABL Lender or any commercial bank or trust company having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's and a combined capital and surplus greater than $500,000,000;

(f) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (a) and (e) above entered into with any financial institution meeting the qualifications specified in clause (e) above;

(g) commercial paper having one of the two highest ratings obtainable from

Moody's or S&P and, in each case, maturing within twelve months after the date of acquisition; and

(h) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (g) of this definition.

"**Claimholders**" means, collectively, the ABL Claimholders and the Fixed Asset Claimholders.

"**Collateral**" means all of the assets and property of any Grantor, whether real (or immovable), personal (or movable) or mixed, upon which a Lien has been granted or purported to be granted pursuant to any Credit Document.

"**Collateral Agents**" means, collectively, (a) the ABL Collateral Agent, (b) the Initial Fixed Asset Collateral Agent and (c) each Additional Fixed Asset Collateral Agent.

"**Collateral Enforcement Action** " means, collectively or individually for one or more of the Collateral Agents, when a ABL Default or Fixed Asset Default, as the case may be, has occurred and is continuing, whether or not in consultation with any other Collateral Agent, any action by any Collateral Agent to repossess or join any Person in repossessing, or exercise or join any Person in exercising, or institute or maintain or participate in any action or proceeding with respect to, any remedies with respect to any Collateral or commence the judicial enforcement of any of the rights and remedies under the Credit Documents or under any applicable law, but in all cases (a) including, without limitation, (i) instituting or maintaining, or joining any Person in instituting or maintaining, any enforcement, contest, protest, attachment, collection, execution, levy, power of sale or foreclosure action or proceeding, or other equivalent action or proceeding with respect to any Collateral, whether under any Credit Document or otherwise, (ii) exercising any right of set-off with respect to any Credit Party or (iii) exercising any remedy under any Deposit Account Control Agreement, Dominion Account, Landlord Lien Waiver and Access Agreement (as defined in the ABL Credit Agreement) or similar agreement or arrangement and (b) excluding the imposition of a default rate or late fee; *provided*, that notwithstanding anything to the contrary in the foregoing, the exercise of rights or remedies by the ABL Collateral Agent under any Deposit Account Control Agreement or Dominion Account during a Liquidity Period (as defined in the ABL Credit Agreement) resulting from the occurrence or continuation of a Liquidity Event (as defined in the ABL Credit Agreement) shall not constitute a Collateral Enforcement Action under this Agreement.

"**Contingent Obligations**" means at any time, any indemnification or other similar contingent obligations which are not then due and owing at the time of determination.

"**Controlling Additional Fixed Asset Collateral Agent** " means the Additional Fixed Asset Collateral Agent of the Series of Additional Fixed Asset Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Additional Fixed Asset Obligations.

"**Controlling Fixed Asset Collateral Agent** " means (a) until the Discharge of Initial Fixed Asset Obligations has occurred, the Initial Fixed Asset Collateral Agent and (b) from and after the Discharge of Initial Fixed Asset Obligations has occurred, the Controlling Additional Fixed Asset Collateral Agent.

"**Credit Documents**" means, collectively, the ABL Credit Documents and the Fixed Asset Documents.

"**Credit Party**" means each ABL Credit Party and each Fixed Asset Credit Party.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with the Parent and its Restricted Subsidiaries' operations and not for speculative purposes.

"**Deposit Account**" as defined in the UCC.

"**Deposit Account Control Agreement** " has the meaning assigned to that term in the ABL Credit Agreement.

"**DIP Financing**" has the meaning assigned to that term in Section 6.01.

"**Discharge of ABL Obligations** " means, except to the extent otherwise expressly provided in Section 5.05:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest), on all Indebtedness outstanding under the ABL Credit Documents and constituting ABL Obligations (other than Secured Bank Product Obligations (as defined in the ABL Credit Agreement), and letters of credit issued under the ABL Credit Agreement that are Cash Collateralized or backstopped on terms reasonably satisfactory to the ABL Administrative Agent);

(b) payment in full in cash of all other ABL Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than Contingent Obligations and Secured Bank Product Obligations (as defined in the ABL Credit Agreement), and letters of credit issued under the ABL Credit Agreement that are Cash Collateralized or backstopped on terms reasonably satisfactory to the ABL Administrative Agent);

(c) termination or expiration of all commitments, if any, to extend credit that would constitute ABL Obligations; and

(d) termination of all letters of credit issued under the ABL Credit Agreement and constituting ABL Obligations or providing cash collateral or backstop letters of credit acceptable to the ABL Administrative Agent in an amount equal to 102% of the applicable outstanding reimbursement obligation (in a manner reasonably satisfactory to the ABL Administrative Agent).

"**Discharge of Fixed Asset Obligations**" means, except to the extent otherwise expressly provided in Section 5.05:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest), on all Indebtedness outstanding under Fixed Asset Documents and constituting Fixed Asset Obligations;

(b) payment in full in cash of all other Fixed Asset Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than Contingent Obligations and obligations under any Swap Contract or Bank Product, or any comparable terms under any other Fixed Asset Document); and

(c) termination or expiration of all commitments, if any, to extend credit that would constitute Fixed Asset Obligations.

"**Discharge of Initial Fixed Asset Obligations**" means, except to the extent otherwise expressly provided in Section 5.05:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest), on all Indebtedness outstanding under Initial Fixed Asset Documents and constituting Initial Fixed Asset Obligations;

(b) payment in full in cash of all other Initial Fixed Asset Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than Contingent Obligations); and

(c) termination or expiration of all commitments, if any, to extend credit that would constitute Initial Fixed Asset Obligations.

"**Disposition**" has the meaning assigned to that term in Section 5.01(b).

"**Documents**" as defined in the UCC.

"**Dominion Account**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Enforcement Notice**" means a written notice delivered, at a time when a ABL Default or Fixed Asset Default has occurred and is continuing, by either (a) in the case of a ABL Default, the ABL Collateral Agent to the Controlling Fixed Asset Collateral Agent or (b) in the case of a Fixed Asset Default, the Controlling Fixed Asset Collateral Agent to the ABL Collateral Agent, in each case, announcing that an Enforcement Period has commenced, specifying the relevant event of default, stating the current balance of the ABL Obligations or the Fixed Asset Obligations, as applicable, and requesting prompt notification of the current balance of the Fixed Asset Obligations or the ABL Obligations, as applicable, owing to the noticed party.

"**Enforcement Period**" means the period of time following the receipt by either the

ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent of an Enforcement Notice until the earliest of (a) in the case of an Enforcement Period commenced by the Controlling Fixed Asset Collateral Agent, the occurrence of the Discharge of Fixed Asset Obligations, (b) in the case of an Enforcement Period commenced by the ABL Collateral Agent, the occurrence of the Discharge of ABL Obligations, (c) the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent (as applicable) agrees in writing to terminate the Enforcement Period or (d) the date on which the ABL Default or the Fixed Asset Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the ABL Collateral Agent or the Controlling Fixed Asset Collateral Agent, as applicable, or waived in writing in accordance with the requirements of the applicable Credit Documents.

"**Excluded Collateral**" has the meaning assigned to that term in the ABL Security Agreements.

"**Fixed Asset Claimholders**" means, at any relevant time, the holders of Fixed Asset Obligations at that time, including each Fixed Asset Collateral Agent.

"**Fixed Asset Collateral**" means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Fixed Asset Obligations.

"**Fixed Asset Collateral Agents**" means the Initial Fixed Asset Collateral Agent and each Additional Fixed Asset Collateral Agent.

"**Fixed Asset Collateral Documents**" means the Initial Fixed Asset Collateral Documents and any Additional Fixed Asset Collateral Documents.

"**Fixed Asset Default**" means an "Event of Default" or equivalent term (as defined in any of the Fixed Asset Documents).

"**Fixed Asset Documents**" means the Initial Fixed Asset Documents and any Additional Fixed Asset Documents.

"**Fixed Asset Facility Agreement**" means the Initial Fixed Asset Credit Agreement and any Additional Fixed Asset Instrument.

"**Fixed Asset Mortgages**" means a collective reference to each mortgage, deed of trust and other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any Fixed Asset Obligations or (except for this Agreement) under which rights or remedies with respect to any such Liens are governed.

"**Fixed Asset Obligations**" means the Initial Fixed Asset Obligations and any Additional Fixed Asset Obligations.

"**Fixed Asset Priority Collateral**" means the following assets of the Borrower and the Guarantors: (a) all shares of capital stock (or other ownership or profit interests) held

by the Borrower or any Guarantor, (b) all debt owed to the Borrower or any Guarantor, (c) all property and assets, real and personal (other than assets of the type constituting ABL Priority Collateral), of the Borrower and each Guarantor, including, but not limited to, machinery and equipment, and other goods, owned real estate, patents, trademarks, trade names, copyrights, other intellectual property and other contract rights and (d) all proceeds and products of the property and assets described in clauses (a), (b) and (c) above.

"**Fixed Asset Secured Parties**" means the Initial Fixed Asset Secured Parties and any Additional Fixed Asset Secured Parties.

"**Fixed Asset Standstill Period**" has the meaning set forth in Section 3.01(a)(i).

"**Governmental Authority**" shall mean the government of the United States of America, Canada, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, for the avoidance of doubt, any supra-national bodies such as the European Union or the European Central Bank).

"**Grantors**" means the Borrowers, the Parent, each other Guarantor and each other Person that is organized under the laws of the United States of America, any State thereof or the District of Columbia or Canada or any province or territory thereof that has or may from time to time hereafter execute and deliver a Fixed Asset Collateral Document or a ABL Collateral Document as a "grantor" or "pledgor" (or the equivalent thereof).

"**Guarantor**" means, collectively, each "Guarantor" as defined in the Initial Fixed Asset Credit Agreement and the ABL Credit Agreement.

"**Indebtedness**" means and includes all Obligations that constitute "Indebtedness" within the meaning of the Initial Fixed Asset Credit Agreement, the ABL Credit Agreement or any Additional Fixed Asset Instrument, as applicable.

"**Initial Fixed Asset Administrative Agent**" has the meaning assigned to that term in the Preamble of this Agreement.

"**Initial Fixed Asset Claimholders**" means, at any relevant time, the holders of Initial Fixed Asset Obligations at that time, including the "Secured Creditors" as defined in the U.S. Initial Fixed Asset Security Agreement and/or the "Secured Creditors" as defined in the Canadian Initial Fixed Asset Security Agreement.

"**Initial Fixed Asset Collateral Documents**" means the "**Security Documents**" (as defined in the Initial Fixed Asset Credit Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Initial Fixed Asset Obligations or under which rights or remedies with respect to such Liens are governed.

"**Initial Fixed Asset Credit Agreement**" has the meaning assigned to that term in the Recitals to this Agreement.

"**Initial Fixed Asset Documents**" means the Initial Fixed Asset Credit Agreement, the Initial Fixed Asset Collateral Documents and the other Credit Documents (as defined in the Initial Fixed Asset Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Initial Fixed Asset Obligation, including, to the extent applicable, any other document or instrument executed or delivered at any time in connection with any Initial Fixed Asset Obligations, including any intercreditor or joinder agreement among holders of Initial Fixed Asset Obligations, to the extent such are effective at the relevant time.

"**Initial Fixed Asset Lenders**" means "Lenders" as defined under the Initial Fixed Asset Credit Agreement.

"**Initial Fixed Asset Obligations**" means all obligations of every nature of each Grantor from time to time owed to any Initial Fixed Asset Claimholders or any of their respective Affiliates under the Initial Fixed Asset Documents, whether for principal, interest, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing. "Initial Fixed Asset Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Initial Fixed Asset Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"**Initial Fixed Asset Secured Parties**" means, at any time, the Initial Fixed Asset Administrative Agent, the Initial Fixed Asset Collateral Agent, the trustees, agents and other representatives of the holders of the Initial Fixed Asset Obligations (including any holders of Initial Fixed Asset Obligations pursuant to supplements executed in connection with the incurrence of additional Indebtedness under the Initial Fixed Asset Credit Agreement), the beneficiaries of each indemnification obligation undertaken by any Grantor under any Initial Fixed Asset Document and each other holder of, or obligee in respect of, any holder or lender pursuant to any Initial Fixed Asset Document outstanding at such time.

"**Insolvency or Liquidation Proceeding**" means:

(a) any voluntary or involuntary case or proceeding under the Bankruptcy Code or any other Bankruptcy Law with respect to any Grantor;

(b) any other voluntary or involuntary insolvency, reorganization, winding-up or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets (other than any merger or consolidation, liquidation, windup or dissolution not involving bankruptcy that is expressly permitted pursuant to of the terms of each ABL Credit Agreement and each Fixed Asset Facility Agreement);

(c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy (other than any merger or consolidation, liquidation, windup or dissolution not involving bankruptcy that is expressly permitted pursuant to the terms of each ABL Credit Agreement and each Fixed Asset Facility Agreement);

(d) any case or proceeding seeking arrangement, adjustment, protection, relief or composition of any debt or other property of any Grantor;

(e) any case or proceeding seeking the entry of an order of relief or the appointment of a custodian, receiver, trustee or other similar proceeding with respect to any Grantor or any property or Indebtedness of any Grantor; or

(f) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"**Intellectual Property**" means, collectively, all rights, priorities and privileges of any Grantor relating to intellectual property, whether arising under United States, Canada, multinational or foreign laws or otherwise, including Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, Trade Secret Licenses and Internet domain names, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Investment Property" means "investment property" as such term is defined in the UCC as in effect on the date hereof in the State of New York.

"**Joinder Agreement**" means an agreement substantially in the form of Exhibit A, or in a form otherwise acceptable to each Collateral Agent, after giving effect to Sections 5.03 and 5.06, as applicable

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"**Lien**" shall mean any security interest, charge, mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, encumbrance, hypothec, deemed or statutory trust, security conveyance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, and any lease having substantially the same effect as any of the foregoing).

"**Mortgaged Premises**" means any real property which shall now or hereafter be subject to a Fixed Asset Mortgage.

"**New Agent**" has the meaning assigned to that term in Section 5.05.

"**New Debt Notice**" has the meaning assigned to that term in Section 5.05.

"**Non-Controlling Fixed Asset Collateral Agent** " means each Fixed Asset Collateral Agent other than the Controlling Fixed Asset Collateral Agent.

"**Notice of Occupancy**" has the meaning assigned to that term in Section 3.03(b).

"**Parent**" has the meaning set forth in the Preamble to this Agreement.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Pledged Collateral**" has the meaning set forth in Section 5.04.

"**Post-Petition Interest**" means interest, fees, expenses and other charges that pursuant to the Fixed Asset Documents or the ABL Credit Documents, continue to accrue after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, expenses and other charges are allowed or allowable under the Bankruptcy Law or in any such Insolvency or Liquidation Proceeding.

"**PPSA**" means the Personal Property Security Act of Ontario; *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any security interest or hypothec in any Collateral is governed by the PPSA as in effect in a Canadian jurisdiction other than Ontario, or the Civil Code of Quebec, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction or the Civil Code of Quebec, as applicable, for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Priority Collateral**" with respect to (a) the ABL Claimholders, all ABL Priority Collateral and (b) the Fixed Asset Claimholders, all Fixed Asset Priority Collateral.

"**Proceeds**" means all "proceeds" as such term is defined in the UCC and, in any event, shall also include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Collateral Agent or any Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"**Real Estate Asset**" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"**Recovery**" has the meaning assigned to that term in Section 6.04.

"**Refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other indebtedness, in exchange or replacement for, such Indebtedness in whole or in part. "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Account**" as defined in the UCC.

"**Series**" means, with respect to any Fixed Asset Obligations, each of (a) the Initial Fixed Asset Obligations and (b) the Additional Fixed Asset Obligations incurred pursuant to any Additional Fixed Asset Document, which pursuant to any Joinder Agreement, are to be represented hereunder by a common Additional Fixed Asset Collateral Agent (in its capacity as such for such Additional Fixed Asset Obligations).

"**Supporting Obligations**" as defined in the UCC.

"**Swap Contract**" has the meaning assigned to that term in the ABL Credit Agreement.

"**Trustee**" has the meaning assigned to such term in the Recitals.

"**UCC**" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; *provided*, *however*, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of any Collateral Agent's or any secured party's security interest in any Collateral is governed by the Uniform Commercial Code as in effect from time to time in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"**U.S. ABL Security Agreement**" means the ABL Security Agreement, dated as of the date hereof, among the ABL Borrowers, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, supplemented or otherwise modified from time to time.

"**U.S. Initial Fixed Asset Security Agreement** " means the U.S. Security Agreement, dated as of the date hereof, among the Term Loan Borrower, each of the other grantors from time to time party thereto and Bank of America, N.A., as collateral agent, as it may be amended, supplemented or otherwise modified from time to time.

Section 1.02. *Terms Generally*. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, modified, renewed or extended in accordance with the terms of this Agreement (including in connection with any Refinancing);

(b) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns;

(c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(d) all references herein to Sections shall be construed to refer to Sections of this Agreement;

(e) all references to terms defined in the UCC in effect in the State of New York shall have the meaning ascribed to them therein (unless otherwise specifically defined herein); and

(f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible (or corporeal) and intangible (or incorporeal) assets and properties, including cash, securities, accounts and contract rights.

ARTICLE 2
LIEN PRIORITIES.

Section 2.01. *Relative Priorities*. Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Fixed Asset Obligations granted on the Collateral or of any Liens securing the ABL Obligations granted on the Collateral and notwithstanding any provision of any UCC or the PPSA, or any other applicable law or the ABL Loan Documents or the Fixed Asset Documents or any defect or deficiencies in, or failure to perfect, the Liens securing the ABL Obligations or Fixed Asset Obligations or any other circumstance whatsoever, the ABL Collateral Agent, on behalf of itself and/or the ABL Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and/or the applicable Fixed Asset Claimholders, hereby each agrees that:

(a) any Lien of the ABL Collateral Agent on the ABL Priority Collateral, whether now or hereafter held by or on behalf of the ABL Collateral Agent or any ABL Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant, possession,

statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all Liens on the ABL Priority Collateral securing any Fixed Asset Obligations and, accordingly, each Fixed Asset Collateral Agent and each Fixed Asset Claimholder, as applicable, cedes priority of rank of their respective Liens in favour of any Lien of the ABL Collateral Agent and, as applicable, any Lien of the ABL Claimholders, in all respects necessary to achieve the foregoing priority; and

(b) any Lien of any Fixed Asset Collateral Agent on the Fixed Asset Priority Collateral, whether now or hereafter held by or on behalf of such Fixed Asset Collateral Agent, any Fixed Asset Claimholder or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to all Liens on the Fixed Asset Priority Collateral securing any ABL Obligations and, accordingly, the ABL Collateral Agent and each ABL Claimholder, as applicable, cedes priority of rank of their respective Liens in favour of any Lien of each Fixed Asset Collateral Agent and, as applicable, any Lien of the Fixed Asset Claimholders, in all respects necessary to achieve the foregoing priority.

Section 2.02. *Prohibition on Contesting Liens*. Each Fixed Asset Collateral Agent, for itself and on behalf of each applicable Fixed Asset Claimholder, and the ABL Collateral Agent, for itself and on behalf of each ABL Claimholder, agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the ABL Claimholders or any of the Fixed Asset Claimholders in the Collateral, or the provisions of this Agreement; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of any Collateral Agent or any ABL Claimholder or Fixed Asset Claimholder to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the Obligations as provided in Sections 2.01, 3.01 and 3.02.

Section 2.03. *No New Liens*. Until the Discharge of ABL Obligations and the Discharge of Fixed Asset Obligations have occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against one or more of the Borrowers or any other Grantor, the parties hereto acknowledge and agree that, except as expressly provided in any Additional Fixed Asset Document, it is their intention that:

(a) there shall be no Liens on any asset or property of any Grantor to secure any Fixed Asset Obligation unless a Lien on such asset or property also secures the ABL Obligations;

(b) there shall be no Liens on any asset or property of any Grantor to secure any ABL Obligations unless a Lien on such asset or property also secures the Fixed Asset Obligations.

To the extent any additional Liens are granted on any such asset or property as described above, the priority of such additional Liens shall be determined in accordance with Section 2.01. In addition, to the extent that Liens are granted on any such asset or property to secure

any Fixed Asset Obligation or ABL Obligation, as applicable, and a corresponding Lien is not granted to secured the ABL Obligations or Fixed Charge Obligations, as applicable, without limiting any other rights and remedies available hereunder, the ABL Collateral Agent, on behalf of the ABL Claimholders and each Fixed Asset Collateral Agent, on behalf of the applicable Fixed Asset Claimholders, agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.03 shall be subject to Section 4.02.

Section 2.04. *Similar Liens and Agreements*. The parties hereto agree that it is their intention that, except as expressly provided in any Additional Fixed Asset Document, the ABL Collateral and the Fixed Asset Collateral be identical. In furtherance of the foregoing and of Section 8.08, the parties hereto agree, subject to the other provisions of this Agreement:

(a) upon request by the ABL Collateral Agent or any Fixed Asset Collateral Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the ABL Collateral and the Fixed Asset Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the ABL Credit Documents and the Fixed Asset Documents; and

(b) that the ABL Collateral Documents (other than the Deposit Account Control Agreements and Dominion Accounts), taken as a whole, and the Fixed Asset Collateral Documents (other than as expressly provided in any Additional Fixed Asset Document), taken as a whole, shall be in all material respects the same forms of documents other than with respect to differences to reflect the nature of the lending arrangements and the first and second lien nature of the Obligations thereunder with respect to the Fixed Asset Priority Collateral and the ABL Priority Collateral.

ARTICLE 3
ENFORCEMENT.

Section 3.01. *Exercise of Remedies – Restrictions on Fixed Asset Collateral Agents* . (a) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders:

(i) will not exercise or seek to exercise any rights or remedies with respect to any ABL Priority Collateral (including the exercise of any right of set-off or any right under any lockbox agreement or any control agreement with respect to Deposit Accounts or Securities Accounts) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); *provided*, *however*, that the Controlling Fixed Asset Collateral Agent may exercise any or all such rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (A) the date on which any Fixed Asset Collateral Agent declared the existence of a Fixed Asset Default and demanded the repayment of all the principal amount of any Fixed Asset Obligations; and (B) the date on which the ABL

Collateral Agent received notice from such Controlling Fixed Asset Collateral Agent of such declaration of a Fixed Asset Default (the "**Fixed Asset Standstill Period**"); *provided*, *further*, *however*, that notwithstanding anything herein to the contrary, in no event shall any Fixed Asset Collateral Agent or any Fixed Asset Claimholder exercise any rights or remedies with respect to the ABL Priority Collateral if, notwithstanding the expiration of the Fixed Asset Standstill Period, the ABL Collateral Agent or ABL Claimholders shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral (prompt notice of such exercise to be given to the Controlling Fixed Asset Collateral Agent);

(ii) will not contest, protest or object to, or otherwise interfere with, any foreclosure proceeding or action brought by the ABL Collateral Agent or any ABL Claimholder or any other exercise by the ABL Collateral Agent or any ABL Claimholder of any rights and remedies relating to the ABL Priority Collateral, whether under the ABL Credit Documents or otherwise; and

(iii) subject to their rights under clause (a)(i) above and except as may be permitted in Section 3.01(c), will not object to the forbearance by the ABL Collateral Agent or any of the ABL Claimholders from bringing or pursuing any Collateral Enforcement Action;

provided, *however*, that, in the case of (i), (ii) and (iii) above, the Liens granted to secure the Fixed Asset Obligations of the Fixed Asset Claimholders shall attach to the Proceeds thereof subject to the relative priorities described in Article 2.

(b) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that the ABL Collateral Agent and the ABL Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of ABL Priority Collateral by the respective Grantors after a ABL Default) make determinations regarding the release, disposition, or restrictions with respect to the ABL Priority Collateral (including, without limitation, exercising remedies under Deposit Account Control Agreements and Dominion Accounts) without any consultation with or the consent of any Fixed Asset Collateral Agent or any Fixed Asset Claimholder; *provided*, *however*, that the Lien securing the Fixed Asset Obligations shall remain on the Proceeds (other than those properly applied to the ABL Obligations) of such Collateral released or disposed of subject to the relative priorities described in Article 2. In exercising rights and remedies with respect to the ABL Priority Collateral, each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that the ABL Collateral Agent and the ABL Claimholders may enforce the provisions of the ABL Credit Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of

an agent appointed by them to sell or otherwise dispose of the ABL Priority Collateral upon foreclosure or other disposition, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and the PPSA, as applicable, and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction. Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that it will not seek, and hereby waives any right, to have any ABL Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral.

(c) Notwithstanding the foregoing, any Fixed Asset Collateral Agent and any Fixed Asset Claimholder may:

(i) file a claim or statement of interest with respect to the Fixed Asset Obligations; *provided* that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(ii) take any action in order to create, perfect, preserve or protect its Lien on any of the Collateral; *provided* that such action shall not be inconsistent with the terms of this Agreement and shall not be adverse to the priority status of the Liens on the ABL Priority Collateral, or the rights of the ABL Collateral Agent or the ABL Claimholders to exercise remedies in respect thereof;

(iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Fixed Asset Claimholders, including any claims secured by the ABL Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(iv) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(v) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Fixed Asset Obligations and the Fixed Asset Priority Collateral; and

(vi) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Fixed Asset Standstill Period to the extent permitted by Section 3.01(a)(i).

Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that it will not take or receive any ABL Priority Collateral or any Proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any such Collateral in its capacity as a creditor in violation of this

Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of ABL Obligations has occurred, except as expressly provided in Sections 3.01(a), 6.03(c)(i) and this Section 3.01(c), the sole right of the Fixed Asset Collateral Agents and the Fixed Asset Claimholders with respect to the ABL Priority Collateral is to hold a Lien on such Collateral pursuant to the Fixed Asset Collateral Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of ABL Obligations has occurred.

(d) Subject to Sections 3.01(a) and (c) and Section 6.03(c)(i):

(i) each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that it will not, except as not prohibited herein, take any action that would hinder any exercise of remedies under the ABL Credit Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the ABL Priority Collateral, whether by foreclosure or otherwise;

(ii) each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, hereby waives any and all rights it or the applicable Fixed Asset Claimholders may have as a junior lien creditor with respect to the ABL Priority Collateral or otherwise to object to the manner in which the ABL Collateral Agent or the ABL Claimholders seek to enforce or collect the ABL Obligations or the Liens on the ABL Priority Collateral securing the ABL Obligations granted in any of the ABL Credit Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the ABL Collateral Agent or ABL Claimholders is adverse to the interest of the Fixed Asset Claimholders; and

(iii) each Fixed Asset Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any of the Fixed Asset Collateral Documents or any other Fixed Asset Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the ABL Collateral Agent or the ABL Claimholders with respect to the ABL Priority Collateral as set forth in this Agreement and the ABL Credit Documents.

(e) Except as otherwise specifically set forth in Sections 3.01(a) and (d) and 3.05, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Fixed Asset Priority Collateral, in each case, in accordance with the terms of the applicable Fixed Asset Documents and applicable law; *provided*, *however*, that in the event that any Fixed Asset Claimholder becomes a judgment Lien creditor in respect of ABL Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Fixed Asset Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Obligations) as the other Liens securing the Fixed Asset Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by any Fixed Asset Collateral Agent or any Fixed Asset Claimholders of payments of interest, principal and other amounts owed in respect of the applicable Fixed Asset Obligations so long as such receipt is not the direct or indirect result of the exercise by such Fixed Asset Collateral Agent or any Fixed Asset Claimholders of rights or remedies as a secured creditor (including set-off) or enforcement of any Lien held by any of them, in each case in contravention of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the ABL Collateral Agent or the ABL Claimholders may have against the Grantors under the ABL Credit Documents, other than with respect to the Fixed Asset Priority Collateral solely to the extent expressly provided herein.

Section 3.02. *Exercise of Remedies – Restrictions on ABL Collateral Agent* . (a) Until the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the ABL Collateral Agent and the ABL Claimholders:

(i) will not exercise or seek to exercise any rights or remedies with respect to any Fixed Asset Priority Collateral or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); *provided*, *however*, that the ABL Collateral Agent may exercise the rights provided for in Section 3.03 (with respect to any Access Period) and may exercise any or all such other rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (A) the date on which the ABL Collateral Agent declared the existence of any ABL Default and demanded the repayment of all the principal amount of any ABL Obligations; and (B) the date on which the Controlling Fixed Asset Collateral Agent received notice from the ABL Collateral Agent of such declaration of an ABL Default (the " **ABL Standstill Period** "); *provided*, *further*, *however*, that notwithstanding anything herein to the contrary, in no event shall the ABL Collateral Agent or any ABL Claimholder exercise any rights or remedies (other than those under Section 3.03) with respect to the Fixed Asset Priority Collateral if, notwithstanding the expiration of the ABL Standstill Period, the Controlling Fixed Asset Collateral Agent shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral (prompt notice of such exercise to be given to the ABL Collateral Agent);

(ii) will not contest, protest or object to, or otherwise interfere with, any foreclosure proceeding or action brought by any Fixed Asset Collateral Agent or any Fixed Asset Claimholder or any other exercise by a Fixed Asset Collateral Agent or any Fixed Asset Claimholder of any rights and remedies relating to the Fixed Asset Priority Collateral, whether under the Fixed Asset Documents or otherwise; and

(iii) subject to their rights under clause (a)(i) above and except as may be permitted in Section 3.02(c), will not object to the forbearance by any Fixed Asset Collateral Agent or Fixed Asset Claimholders from bringing or pursuing any Collateral Enforcement Action;

provided, *however*, that in the case of (i), (ii) and (iii) above, the Liens granted to secure the ABL Obligations of the ABL Claimholders shall attach to the Proceeds thereof subject to the relative priorities described in Article 2.

(b) Until the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that the Fixed Asset Collateral Agents and the Fixed Asset Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of Fixed Asset Priority Collateral by the respective Grantors after a Fixed Asset Default) make determinations regarding the release, disposition, or restrictions with respect to the Fixed Asset Priority Collateral without any consultation with or the consent of the ABL Collateral Agent or any ABL Claimholder; *provided*, *however*, that the Lien securing the ABL Obligations shall remain on the Proceeds (other than those properly applied to the Fixed Asset Obligations) of such Collateral released or disposed of subject to the relative priorities described in Article 2. In exercising rights and remedies with respect to the Fixed Asset Priority Collateral, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that the Fixed Asset Collateral Agents and the Fixed Asset Claimholders may enforce the provisions of the Fixed Asset Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Fixed Asset Priority Collateral upon foreclosure or other disposition, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and the PPSA, as applicable, and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction. The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, agrees that it will not seek, and hereby waives any right, to have any Fixed Asset Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral.

(c) Notwithstanding the foregoing, the ABL Collateral Agent and any ABL Claimholder may:

(i) file a claim or statement of interest with respect to the ABL Obligations; *provided* that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(ii) take any action in order to create, perfect, preserve or protect its Lien on any of the Collateral; *provided* that such action shall not be inconsistent with the terms of this Agreement and shall not be adverse to the priority status of the Liens on the Fixed Asset Priority Collateral, or the rights of any Fixed Asset Collateral Agent or any of the Fixed Asset Claimholders to exercise remedies in respect thereof;

(iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the ABL

Claimholders, including any claims secured by the Fixed Asset Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

(iv) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(v) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the ABL Obligations and the ABL Priority Collateral; and

(vi) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the ABL Standstill Period to the extent permitted by Section 3.02(a)(i).

The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that it will not take or receive any Fixed Asset Priority Collateral or any Proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Fixed Asset Obligations has occurred, except as expressly provided in Sections 3.02(a), 3.03, 3.04, 6.03(c)(ii) and this Section 3.02(c), the sole right of the ABL Collateral Agent and the ABL Claimholders with respect to the Fixed Asset Priority Collateral is to hold a Lien on such Collateral pursuant to the ABL Collateral Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Fixed Asset Obligations has occurred.

(d) Subject to Sections 3.02(a) and (c) and Sections 3.03 and 6.03(c)(ii):

(i) the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, agrees that the ABL Collateral Agent and the ABL Claimholders will not, except as not prohibited herein, take any action that would hinder any exercise of remedies under the Fixed Asset Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Fixed Asset Priority Collateral, whether by foreclosure or otherwise;

(ii) the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby waives any and all rights it or the ABL Claimholders may have as a junior lien creditor with respect to the Fixed Asset Priority Collateral or otherwise to object to the manner in which the any Fixed Asset Collateral Agent or the Fixed Asset Claimholders seek to enforce or collect the Fixed Asset Obligations or the Liens on the Fixed Asset Priority Collateral securing the Fixed Asset Obligations granted in any of the Fixed Asset Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of any

Fixed Asset Collateral Agent or the Fixed Asset Claimholders is adverse to the interest of the ABL Claimholders; and

(iii) the ABL Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in any of the ABL Collateral Documents or any other ABL Credit Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Fixed Asset Collateral Agents or the Fixed Asset Claimholders with respect to the Fixed Asset Priority Collateral as set forth in this Agreement and the Fixed Asset Documents.

(e) Except as otherwise specifically set forth in Sections 3.02(a) and (d) and 3.05, the ABL Collateral Agent and the ABL Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the ABL Priority Collateral, in each case, in accordance with the terms of the ABL Credit Documents and applicable law; *provided*, *however*, that in the event that any ABL Claimholder becomes a judgment Lien creditor in respect of Fixed Asset Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the ABL Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Fixed Asset Obligations) as the other Liens securing the ABL Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by the ABL Collateral Agent or any ABL Claimholders of payments of interest, principal and other amounts owed in respect of the ABL Obligations so long as such receipt is not the direct or indirect result of the exercise by the ABL Collateral Agent or any ABL Claimholders of rights or remedies as a secured creditor (including set-off) or enforcement of any Lien held by any of them, in each case in contravention of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Fixed Asset Collateral Agents or the Fixed Asset Claimholders may have against the Grantors under the Fixed Asset Documents, other than with respect to the ABL Priority Collateral solely to the extent expressly provided herein.

Section 3.03. *Exercise of Remedies – Collateral Access Rights* . (a) The ABL Collateral Agent and the Fixed Asset Collateral Agents agree not to commence any Collateral Enforcement Action until an Enforcement Notice has been given to the other Collateral Agent. Subject to the provisions of Sections 3.01 and 3.02 above, either Collateral Agent may join in any judicial proceedings commenced by the other Collateral Agent to enforce Liens on the Collateral; *provided* that neither Collateral Agent, nor the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, shall interfere with the Collateral Enforcement Actions of the other with respect to Collateral in which such party has the priority Lien in accordance herewith.

(b) If any Fixed Asset Collateral Agent, or any agent or representative of any Fixed Asset Collateral Agent, or any receiver, shall obtain possession or physical control of any of the Mortgaged Premises, such Fixed Asset Collateral Agent shall promptly notify the ABL Collateral Agent of that fact (such notice, a "**Notice of Occupancy**") and the ABL

Collateral Agent shall, within ten (10) Business Days thereafter, notify the Controlling Fixed Asset Collateral Agent as to whether the ABL Collateral Agent desires to exercise access rights under this Agreement (such notice, an "**Access Acceptance Notice**"), at which time the parties shall confer in good faith to coordinate with respect to the ABL Collateral Agent's exercise of such access rights; *provided*, that it is understood and agreed that the Fixed Asset Collateral Agents shall obtain possession or physical control of the Mortgaged Premises in the manner provided in the applicable Fixed Asset Collateral Documents and in the manner provided herein. Access rights may apply to differing parcels of Mortgaged Premises at differing times, in which case, a differing Access Period may apply to each such property. In the event that the ABL Collateral Agent elects to exercise its access rights as provided in this Agreement, each Fixed Asset Collateral Agent agrees, for itself and on behalf of the applicable Fixed Asset Claimholders, that in the event that any Fixed Asset Claimholder exercises its rights to sell or otherwise dispose of any Mortgaged Premises, whether before or after the delivery of a Notice of Occupancy to the ABL Collateral Agent, the Fixed Asset Collateral Agents shall (i) provide access rights to the ABL Collateral Agent for the duration of the Access Period in accordance with this Agreement and (ii) if such a sale or other disposition occurs prior to the ABL Collateral Agent delivering an Access Acceptance Notice during the time period provided therefor, or if applicable, the expiration of the applicable Access Period, shall ensure that the purchaser or other transferee of such Mortgaged Premises provides the ABL Collateral Agent the opportunity to exercise its access rights, and upon delivery of an Access Acceptance Notice to such purchaser or transferee, continued access rights to the ABL for the duration of the applicable Access Period, in the manner and to the extent required by this Agreement.

(c) Upon delivery of notice to the Controlling Fixed Asset Collateral Agent as provided in Section 3.03(b), the Access Period shall commence for the subject parcel of Mortgaged Premises. During the Access Period, the ABL Collateral Agent and its agents, representatives and designees shall have a non-exclusive right to have access to, and a rent free right to use, the Fixed Asset Priority Collateral for the purpose of arranging for and effecting the sale or disposition of ABL Priority Collateral, including the production, completion, packaging and other preparation of such ABL Priority Collateral for sale or disposition. During any such Access Period, the ABL Collateral Agent and its agents, representatives and designees (and Persons employed on their respective behalves), may continue to operate, service, maintain, process and sell the ABL Priority Collateral, as well as to engage in bulk sales of ABL Priority Collateral. The ABL Collateral Agent shall take proper care of any Fixed Asset Priority Collateral that is used by the ABL Collateral Agent during the Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by the ABL Collateral Agent or its agents, representatives or designees and the ABL Collateral Agent shall comply with all applicable laws in connection with its use or occupancy of the Fixed Asset Priority Collateral. The ABL Collateral Agent and the ABL Claimholders shall (to the extent that there are sufficient available proceeds of ABL Collateral for the purposes of paying such indemnity) indemnify and hold harmless the Fixed Asset Collateral Agents and the Fixed Asset Claimholders for any injury or damage to Persons or property caused by the acts or omissions of Persons under its control. The ABL Collateral Agent and the Fixed Asset Collateral Agents shall cooperate and use reasonable

efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Fixed Asset Collateral Agents to show the Fixed Asset Priority Collateral to prospective purchasers and to ready the Fixed Asset Priority Collateral for sale.

(d) If any order or injunction is issued or stay is granted which prohibits the ABL Collateral Agent from exercising any of its rights hereunder, then at the ABL Collateral Agent's option, the Access Period granted to the ABL Collateral Agent under this Section 3.03 shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.03. If any Fixed Asset Collateral Agent shall foreclose or otherwise sell any of the Fixed Asset Priority Collateral, such Fixed Asset Collateral Agent will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring the Fixed Asset Priority Collateral subject to the terms of this Agreement.

(e) The Fixed Asset Collateral Agents (in the case of any Additional Fixed Asset Collateral Agent, to the extent such access rights have been granted to such Collateral Agent) and, to the extent such rights have been granted by the Grantors under any Initial Fixed Asset Documents, the Grantors, agree that the ABL Collateral Agent shall have access, during the Access Period, as described herein and each such Grantor that owns any of the Mortgaged Premises grants a non-exclusive easement in gross over its property to permit the uses by the ABL Collateral Agent contemplated by this Section 3.03. Each Fixed Asset Collateral Agent consents to such easement and to the recordation of a collateral access easement agreement, in form and substance reasonably acceptable to the Controlling Fixed Asset Collateral Agent, in the relevant real estate records with respect to each parcel of real property that is now or hereafter subject to a Fixed Asset Mortgage. The ABL Collateral Agent agrees that upon either the occurrence of the Discharge of ABL Obligations or the expiration of the final Access Period with respect to any parcel of property covered by a Fixed Asset Mortgage, it shall, upon request, execute and deliver to the Controlling Fixed Asset Collateral Agent, or if a Discharge of Fixed Asset Obligations has occurred, to the respective Grantor, such documentation, in recordable form, as may reasonably be requested to terminate any and all rights with respect to such Access Periods.

Section 3.04. *Exercise of Remedies – Intellectual Property Rights/Access to Information* . Each Fixed Asset Collateral Agent (in the case of any Additional Fixed Asset Collateral Agent, to the extent such rights have been granted to such Collateral Agent) and, to the extent such rights have been granted by the Grantors under any Initial Fixed Asset Documents, each Grantor hereby grants (to the full extent of their respective rights and interests) the ABL Collateral Agent and its agents, representatives and designees (a) a royalty free, rent free non-exclusive license and lease to use all of the Fixed Asset Priority Collateral constituting Intellectual Property, to complete the sale of inventory and (b) a royalty free non-exclusive license (which will be binding on any successor or assignee of the Intellectual Property) to use any and all Intellectual Property, in each case, at any time in connection with its Collateral Enforcement Action; *provided*, *however*, the royalty free, rent free non-exclusive license and lease granted in clause (a) shall immediately expire upon the sale,

lease, transfer or other disposition of all such inventory.

Section 3.05. *Exercise of Remedies – Set Off and Tracing of and Priorities in Proceeds* . (a) The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, acknowledges and agrees that, to the extent the ABL Collateral Agent or any ABL Claimholder exercises its rights of set-off against any Grantors' Deposit Accounts or Securities Accounts that contain identifiable Proceeds of Fixed Asset Priority Collateral, a percentage of the amount of such set-off equal to the percentage that such Proceeds bear to the total amount on deposit in or credited to the balance of such Deposit Accounts or Securities Accounts shall be deemed to constitute Fixed Asset Priority Collateral, which amount shall be held and distributed pursuant to Section 4.03; *provided*, *however,* that the foregoing shall not apply to any set-off by the ABL Collateral Agent against any ABL Priority Collateral to the extent applied to the payment of ABL Obligations.

(b) Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, also agrees that prior to an issuance of an Enforcement Notice, all funds deposited in an account subject to a Deposit Account Control Agreement or a Dominion Account that constitute ABL Priority Collateral and then applied to the ABL Obligations shall be treated as ABL Priority Collateral and, unless the ABL Collateral Agent has actual knowledge to the contrary, any claim that payments made to the ABL Collateral Agent through the Deposit Accounts and Securities Accounts that are subject to such Deposit Account Control Agreements or Dominion Accounts, respectively, are Proceeds of or otherwise constitute Fixed Asset Priority Collateral are waived by the Fixed Asset Collateral Agents and the Fixed Asset Claimholders.

(c) The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, and each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, further agree that prior to an issuance of an Enforcement Notice, any Proceeds of Collateral, whether or not deposited in an account subject to a deposit account control agreement or a securities account control agreement, shall not (as between the Collateral Agents, the ABL Claimholders and the Fixed Asset Claimholders) be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral.

ARTICLE 4
PAYMENTS.

Section 4.01. *Application of Proceeds*. (a) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all ABL Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the ABL Collateral Agent or any ABL Claimholder, shall be applied by the ABL Collateral Agent to the ABL Obligations in such order as specified in the relevant ABL Credit Documents. Upon the occurrence of the Discharge of ABL Obligations, the ABL Collateral Agent shall deliver to the Controlling Fixed Asset Collateral Agent any Collateral and Proceeds of Collateral held by it as a result of the exercise of remedies in the

same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Controlling Fixed Asset Collateral Agent to the Fixed Asset Obligations in such order as specified in Section 4.01(b); it being understood that any security interest in Deposit Accounts in favor of the Fixed Asset Obligations shall no longer exist upon the occurrence of the Discharge of ABL Obligations.

(b) Until the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all Fixed Asset Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by any Fixed Asset Collateral Agent or any Fixed Asset Claimholder, shall be applied by the Controlling Fixed Asset Collateral Agent to the Fixed Asset Obligations in the following order: *first*, to payment of that portion of the Fixed Asset Obligations constituting fees, indemnities, expenses and other amounts payable to each Fixed Asset Collateral Agent in its capacity as such pursuant to the terms of any Fixed Asset Document; *second*, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Fixed Asset Claimholders pursuant to the terms of any Fixed Asset Document; and *third*, to the payment in full of Fixed Asset Obligations of each Series on a ratable basis, and with respect to the Fixed Asset Obligations of a given Series in accordance with the terms of the terms of the applicable Fixed Asset Documents. Upon the occurrence of the Discharge of Fixed Asset Obligations, each Fixed Asset Collateral Agent shall deliver to the ABL Collateral Agent any Collateral and Proceeds of Collateral held by it as a result of the exercise of remedies in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the ABL Collateral Agent to the ABL Obligations in such order as specified in the ABL Collateral Documents.

Section 4.02. *Payments Over in Violation of Agreement* . So long as neither the Discharge of ABL Obligations nor the Discharge of Fixed Asset Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, any Collateral or Proceeds thereof (including assets or Proceeds subject to Liens referred to in the final sentence of Section 2.03) received by any Collateral Agent or any Fixed Asset Claimholders or ABL Claimholders in connection with the exercise of any right or remedy (including set-off and the right to credit bid their debt) relating to the Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the appropriate Collateral Agent for the benefit of the Fixed Asset Claimholders or the ABL Claimholders, as the case may be, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each Collateral Agent is hereby authorized by the other Collateral Agent to make any such endorsements as agent for the other Collateral Agent or any Fixed Asset Claimholders or ABL Claimholders, as the case may be. This authorization is coupled with an interest and is irrevocable until the Discharge of ABL Obligations and Discharge of Fixed Asset Obligations have occurred.

Section 4.03. *Application of Payments*. Subject to the other terms of this

Agreement, all payments received by (a) the ABL Collateral Agent or the ABL Claimholders may be applied, reversed and reapplied, in whole or in part, to the ABL Obligations to the extent provided for in the ABL Credit Documents and (b) the Fixed Asset Collateral Agents or the Fixed Asset Claimholders may be applied, reversed and reapplied, in whole or in part, to the Fixed Asset Obligations in the order set forth in Section 4.01(b).

Section 4.04. *Reinstatement.* (a) To the extent any payment with respect to any ABL Obligation (whether by or on behalf of any Grantor, as Proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Fixed Asset Claimholders, receiver or similar Person, whether in connection with any Insolvency or Liquidation Proceeding or otherwise, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Claimholders and the Fixed Asset Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the ABL Credit Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the ABL Claimholders and the Fixed Asset Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the "ABL Obligations".

(b) To the extent any payment with respect to any Fixed Asset Obligation (whether by or on behalf of any Grantor, as Proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any ABL Claimholders, receiver or similar Person, whether in connection with any Insolvency or Liquidation Proceeding or otherwise, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Fixed Asset Claimholders and the ABL Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Fixed Asset Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the Fixed Asset Claimholders and the ABL Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the "Fixed Asset Obligations".

ARTICLE 5
OTHER AGREEMENTS.

Section 5.01. *Releases*. (a) (i) If in connection with the exercise of the ABL Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.01, the ABL Collateral Agent, for itself or on behalf of any of the ABL Claimholders, releases any

of its Liens on any part of the ABL Priority Collateral, then the Liens, if any, of each Fixed Asset Collateral Agent, for itself or for the benefit of the Fixed Asset Claimholders, on the ABL Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. Each Fixed Asset Collateral Agent, for itself or on behalf of any such Fixed Asset Claimholders, promptly shall execute and deliver to the ABL Collateral Agent or such Grantor such termination statements, releases and other documents as the ABL Collateral Agent or such Grantor may request to effectively confirm such release.

(ii) If in connection with the exercise of the Controlling Fixed Asset Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.02, the Controlling Fixed Asset Collateral Agent, for itself or on behalf of any of the Fixed Asset Claimholders, releases any of its Liens on any part of the Fixed Asset Priority Collateral, then (x) the Liens, if any, of the ABL Collateral Agent, for itself or for the benefit of the ABL Claimholders, on the Fixed Asset Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released and (y) the Liens, if any, of each Non-Controlling Fixed Asset Collateral Agent, for itself or for the benefit of the applicable Fixed Asset Claimholders, on the Fixed Asset Priority Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. The ABL Collateral Agent, for itself or on behalf of any such ABL Claimholders, and each Non-Controlling Fixed Asset Collateral Agent, for itself or on behalf of any applicable Fixed Asset Claimholders, promptly shall execute and deliver to the Controlling Fixed Asset Collateral Agent or such Grantor such termination statements, releases and other documents as the Controlling Fixed Asset Collateral Agent or such Grantor may request to effectively confirm such release.

(b) If in connection with any sale, lease, exchange, transfer or other disposition of any Collateral (collectively, a " **Disposition**") permitted under the terms of both the ABL Credit Documents and the Fixed Asset Documents (other than in connection with the exercise of the respective Collateral Agent's rights and remedies in respect of the Collateral as provided for in Sections 3.01 and 3.02), (i) the ABL Collateral Agent, for itself or on behalf of any of the ABL Claimholders, releases any of its Liens on any part of the ABL Priority Collateral, in each case other than (A) except with respect to Deposit Accounts, in connection with the occurrence of the Discharge of ABL Obligations or (B) after the occurrence and during the continuance of a Fixed Asset Default, then the Liens, if any, of each Fixed Asset Collateral Agent, for itself or for the benefit of the applicable Fixed Asset Claimholders, on such Collateral shall be automatically, unconditionally and simultaneously released, and (ii) the Controlling Fixed Asset Collateral Agent, for itself or on behalf of any of the applicable Fixed Asset Claimholders, releases any of its Liens on any part of the Fixed Asset Priority Collateral, in each case other than (A) in connection with the occurrence of the Discharge of Fixed Asset Obligations or (B) after the occurrence and during the continuance of a ABL Default, then the Liens, if any, of (x) the ABL Collateral Agent, for itself or for the benefit of the ABL Claimholders and (y) each Non-Controlling Fixed Asset Collateral Agent, for

itself or for the benefit of the applicable Fixed Asset Claimholders, on such Collateral (or, if such Collateral includes the Capital Stock of any Subsidiary, the Liens on Collateral owned by such Subsidiary) shall be automatically, unconditionally and simultaneously released. The ABL Collateral Agent and each Fixed Asset Collateral Agent, each for itself and on behalf of any such ABL Claimholders or Fixed Asset Claimholders, as the case may be, promptly shall execute and deliver to the other Collateral Agents or such Grantor such termination statements, releases and other documents as the other Collateral Agents or such Grantor may request to effectively confirm such release.

(c) Until the Discharge of ABL Obligations and Discharge of Fixed Asset Obligations have occurred, the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, and each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, as the case may be, hereby irrevocably constitutes and appoints the other Collateral Agents and any officer or agent of the other Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the other Collateral Agent or such holder or in the Collateral Agent's own name, from time to time in such Collateral Agent's discretion, for the purpose of carrying out the terms of this Section 5.01, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 5.01, including any endorsements or other instruments of transfer or release.

(d) Until the Discharge of ABL Obligations and Discharge of Fixed Asset Obligations have occurred, to the extent that the Collateral Agents or the ABL Claimholders or the Fixed Asset Claimholders (i) have released any Lien on Collateral and such Lien is later reinstated or (ii) obtain any new Liens from any Grantor, then each other Collateral Agent, for itself and for the ABL Claimholders or applicable Fixed Asset Claimholders, as the case may be, shall be granted a Lien on any such Collateral, subject to the lien priority provisions of this Agreement.

Section 5.02. *Insurance.* (a) Unless and until the Discharge of ABL Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the ABL Credit Documents, each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders agrees, that (i) in accordance with the terms of the applicable Credit Documents, the ABL Collateral Agent shall have the sole and exclusive right to adjust settlement for any insurance policy covering the ABL Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) in accordance with the terms of the applicable Credit Documents, all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of such Collateral and to the extent required by the ABL Credit Documents shall be paid to the ABL Collateral Agent for the benefit of the ABL Claimholders pursuant to the terms of the ABL Credit Documents (including, without limitation, for purposes of cash collateralization of letters of credit) and thereafter, to the extent no ABL Obligations are outstanding, and subject to the rights of the Grantors under the Fixed Asset Documents, to the Fixed Asset Collateral

Agents for the benefit of the Fixed Asset Claimholders to the extent required under the Fixed Asset Collateral Documents and then, to the extent no Fixed Asset Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if any Fixed Asset Collateral Agent or any Fixed Asset Claimholders shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such Proceeds over to the ABL Collateral Agent in accordance with the terms of Section 4.02.

(b) Unless and until the Discharge of Fixed Asset Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Fixed Asset Documents, the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, and each Fixed Asset Collateral Agent other than the Controlling Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, each agrees that (i) in accordance with the terms of the applicable Credit Documents, the Controlling Fixed Asset Collateral Agent, for itself and on behalf of the Fixed Asset Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Fixed Asset Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) in accordance with the terms of the applicable Credit Documents, all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of such Collateral and to the extent required by the Fixed Asset Documents shall be paid to the Fixed Asset Collateral Agents for the benefit of the Fixed Asset Claimholders pursuant to the terms of the Fixed Asset Documents and thereafter, to the extent no Fixed Asset Obligations are outstanding, and subject to the rights of the Grantors under the ABL Credit Documents, to the ABL Collateral Agent for the benefit of the ABL Claimholders to the extent required under the ABL Collateral Documents and then, to the extent no ABL Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) in accordance with the terms of the applicable Credit Documents, if the ABL Collateral Agent or any ABL Claimholders shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such Proceeds over to the Controlling Fixed Asset Collateral Agent in accordance with the terms of Section 4.02.

(c) To effectuate the foregoing, the Collateral Agents shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Collateral hereunder. To the extent any Proceeds are received for business interruption or for any liability or indemnification and those Proceeds are not compensation for a casualty loss with respect to the Fixed Asset Priority Collateral, such Proceeds shall first be applied to repay the ABL Obligations (to the extent required pursuant to the ABL Credit Agreement) and then be applied, to the extent required by the Fixed Asset Documents, to the Fixed Asset Obligations.

Section 5.03. *Amendments to ABL Credit Documents and Fixed Asset Documents;*

Refinancing. (a) The Fixed Asset Documents may be amended, amended and restated, replaced, supplemented or otherwise modified in accordance with their terms and the Fixed Asset Obligations may be Refinanced, in each case, without notice to, or the consent of the ABL Collateral Agent or the ABL Claimholders, all without affecting the lien subordination or other provisions of this Agreement; *provided*, *however*, that the holders of such Refinancing debt, or their respective agent or representative on the behalf of such holders, bind themselves in a writing addressed to the ABL Collateral Agent and any other existing Collateral Agents to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not contravene any provision of this Agreement.

(b) The ABL Credit Documents may be amended, amended and restated, replaced, supplemented or otherwise modified in accordance with their terms and the ABL Credit Agreement may be Refinanced, in each case, without notice to, or the consent of any Fixed Asset Collateral Agent or the Fixed Asset Claimholders, all without affecting the lien subordination or other provisions of this Agreement; *provided*, *however*, that the holders of such Refinancing debt, or their respective agent or representative on the behalf of such holders, bind themselves in a writing addressed to the Fixed Asset Collateral Agents to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not contravene any provision of this Agreement.

(c) On or after any Refinancing, and the receipt of notice thereof, which notice shall include the identity of a new or replacement Collateral Agent or other agent serving the same or similar function, each existing Collateral Agent shall promptly enter into such documents and agreements (including amendments or supplements to this Intercreditor Agreement) as the Parent or such new or replacement Collateral Agent may reasonably request in order to provide to such new or replacement Collateral Agent the rights, remedies and powers and authorities contemplated hereby, in each case consistent in all respects with the terms of this Intercreditor Agreement.

(d) The ABL Collateral Agent and each Fixed Asset Collateral Agent shall each use good faith efforts to notify the other parties hereto of any written amendment or modification to any ABL Loan Document or any Fixed Asset Document, as applicable, but the failure to do so shall not create a cause of action against the party failing to give such notice or create any claim or right on behalf of any third party.

Section 5.04. *Bailees for Perfection*. (a) Each Collateral Agent agrees to hold that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC or PPSA, as applicable, (such Collateral being the "**Pledged Collateral**") as collateral agent for the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, and as bailee for the other Collateral Agents (such bailment being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2) and 9-313(c) of the UCC) and any assignee solely for the purpose of perfecting the security interest granted under the ABL Credit Documents and the Fixed Asset Documents, respectively, subject to the terms and conditions of this Section 5.04.

(b) No Collateral Agent shall have any obligation whatsoever to the other Collateral Agents, to any ABL Claimholder, or to any Fixed Asset Claimholder to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.04. The duties or responsibilities of the respective Collateral Agents under this Section 5.04 shall be limited solely to holding the Pledged Collateral as bailee in accordance with this Section 5.04 and delivering the Pledged Collateral upon an occurrence of the Discharge of ABL Obligations or Discharge of Fixed Asset Obligations, as the case may be, as provided in paragraph (d) below.

(c) No Collateral Agent acting pursuant to this Section 5.04 shall have by reason of the ABL Credit Documents, the Fixed Asset Documents, this Agreement or any other document a fiduciary relationship in respect of the other Collateral Agent, or any ABL Claimholders or any Fixed Asset Claimholders.

(d) Upon the occurrence of the Discharge of ABL Obligations or the Discharge of Fixed Asset Obligations, as the case may be, the Collateral Agent under the debt facility which has been discharged shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements and without recourse or warranty, *first*, to the other Collateral Agent (for the avoidance of doubt, in the case of the Discharge of ABL Obligations, to the Controlling Fixed Asset Collateral Agent) to the extent the other Obligations (other than Contingent Obligations) remain outstanding, and *second*, to the applicable Grantor to the extent no ABL Obligations or Fixed Asset Obligations, as the case may be, remain outstanding (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral). Each Collateral Agent further agrees, to the extent that any other Obligations (other than applicable Contingent Obligations) remain outstanding, to take all other commercially reasonable action as shall be reasonably requested by the other Collateral Agent, at the sole cost and expense of the Credit Parties, to permit such other Collateral Agent to obtain, to the extent required by the applicable ABL Credit Documents or Fixed Asset Documents, for the benefit of the ABL Claimholders or Fixed Asset Claimholders, as applicable, a first-priority interest in the Collateral or as a court of competent jurisdiction may otherwise direct.

(e) Subject to the terms of this Agreement, (i) until the Discharge of ABL Obligations has occurred, the ABL Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its "control" in accordance with the terms of this Agreement and other ABL Credit Documents, but only to the extent that such Collateral constitutes ABL Priority Collateral, as if the Liens of the Fixed Asset Collateral Agents and Fixed Asset Claimholders did not exist and (ii) until the Discharge of Fixed Asset Obligations has occurred, the Controlling Fixed Asset Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its "control" in accordance with the terms of this Agreement and other Fixed Asset Documents, but only to the extent that such Collateral constitutes Fixed Asset Priority Collateral, as if the Liens of the ABL Collateral Agent and ABL Claimholders did not exist. In furtherance of the foregoing, promptly following the occurrence of the Discharge of ABL Obligations, unless a New Debt Notice in respect of

new ABL Credit Documents shall have been delivered as provided in Section 5.05 below, the ABL Collateral Agent hereby agrees to deliver, at the cost and expense of the Credit Parties, to each bank and securities intermediary, if any, that is counterparty to a deposit account control agreement or securities account control agreement, as applicable, written notice as contemplated in such deposit account control agreement or securities account control agreement, as applicable, directing such bank or securities intermediary, as applicable, to comply with the instructions of the Controlling Fixed Asset Collateral Agent, unless the Discharge of Fixed Asset Obligations has occurred (as certified to the ABL Collateral Agent by the Parent), in which case, such deposit account control agreement or securities account control agreement, as the case may be, shall be terminated.

(f) Notwithstanding anything in this Agreement to the contrary:

(i) each of the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, agrees that any requirement under any ABL Collateral Document that any Grantor deliver any Collateral that constitutes Fixed Asset Priority Collateral to the ABL Collateral Agent, or that requires any Grantor to vest the ABL Collateral Agent with possession or "control" (as defined in the UCC or the PPSA, as applicable) of any Collateral that constitutes Fixed Asset Priority Collateral, in each case, shall be deemed satisfied to the extent that, prior to the occurrence of the Discharge of Fixed Asset Obligations (other than Contingent Obligations), such Collateral is delivered to the Controlling Fixed Asset Collateral Agents, or the Controlling Fixed Asset Collateral Agents shall have been vested with such possession or (unless, pursuant to the UCC or the PPSA, as applicable, control may be given concurrently to the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent) "control", in each case, subject to the provisions of Section 5.04; and

(ii) each of the Fixed Asset Collateral Agents, for itself and on behalf of the applicable Fixed Asset Claimholders, agrees that any requirement under any Fixed Asset Collateral Document that any Grantor deliver any Collateral that constitutes Fixed Asset Priority Collateral to such Fixed Asset Collateral Agent, or that requires any Grantor to vest such Fixed Asset Collateral Agent with possession or "control" (as defined in the UCC or the PPSA, as applicable) of any Collateral that constitutes Fixed Asset Priority Collateral, in each case, shall be deemed satisfied to the extent that, prior to the occurrence of the Discharge of Initial Fixed Asset Obligations (other than Contingent Obligations), such Collateral is delivered to the Controlling Fixed Asset Collateral Agent, or the Controlling Fixed Asset Collateral Agent shall have been vested with such possession or (unless, pursuant to the UCC or the PPSA, as applicable), control may be given concurrently to the applicable Fixed Asset Collateral Agent and the Controlling Fixed Asset Collateral Agent) "control", in each case, subject to the provisions of Section 5.04.

Section 5.05. *When Discharge of ABL Obligations and Discharge of Fixed Asset Obligations Deemed to Not Have Occurred* . If in connection with the Discharge of ABL Obligations or the Discharge of Fixed Asset Obligations, any Borrower substantially

concurrently enters into any Refinancing of any ABL Obligation or Fixed Asset Obligation, as the case may be, which Refinancing is permitted by both the Fixed Asset Documents and the ABL Credit Documents, in each case, to the extent such documents will remain in effect following such Refinancing, then such Discharge of ABL Obligations or the Discharge of Fixed Asset Obligations, shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken pursuant to this Agreement as a result of the occurrence of such Discharge of ABL Obligations or Discharge of Fixed Asset Obligations, as applicable) and, from and after the date on which the New Debt Notice is delivered to the appropriate Collateral Agents in accordance with the next sentence, the obligations under such Refinancing shall automatically be treated as ABL Obligations or Fixed Asset Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, and the ABL Collateral Agent or applicable Fixed Asset Collateral Agent, as the case may be, under such new ABL Credit Documents or new Fixed Asset Documents shall be the ABL Collateral Agent or a Fixed Asset Collateral Agent for all purposes of this Agreement. Upon receipt of a notice (the "**New Debt Notice**") stating that a Borrower has entered into new ABL Credit Documents or new Fixed Asset Documents (which notice shall include a complete copy of the relevant new documents and provide the identity of the new collateral agent, such agent, the "**New Agent**"), the other Collateral Agents shall promptly (a) enter into such documents and agreements (including amendments or supplements to this Agreement) as such Borrower or such New Agent shall reasonably request in order to provide to the New Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (b) deliver to any New Agent that is the Controlling Fixed Asset Collateral Agent at such time any Pledged Collateral (that is Fixed Asset Priority Collateral, in the case of a New Agent that is the agent under any new Fixed Asset Documents or that is ABL Priority Collateral, in the case of a New Agent that is the agent under any new ABL Credit Documents) held by it together with any necessary endorsements (or otherwise allow the New Agent to obtain control of such Pledged Collateral). The New Agent shall agree in a writing addressed to the other Collateral Agents for the benefit of the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, to be bound by the terms of this Agreement. If the new ABL Obligations under the new ABL Credit Documents or the new Fixed Asset Obligations under the new Fixed Asset Documents are secured by assets of the Grantors constituting Collateral that do not also secure the other Obligations, then, unless and to the extent such Collateral is not required to be granted under the applicable Additional Fixed Asset Documents, the other Obligations shall be secured at such time by a second priority Lien on such assets to the same extent provided in the ABL Credit Documents, the Fixed Asset Collateral Documents and this Agreement.

Section 5.06. *Additional Fixed Asset Debt*. The Parent and the other applicable Grantors will be permitted to designate as an additional holder of Fixed Asset Obligations hereunder each Person who is, or who becomes or who is to become, the registered holder of any Additional Fixed Asset Debt incurred by the Parent or such Grantor after the date of this Agreement in accordance with the terms of all applicable Additional Fixed Asset Documents. Upon the issuance or incurrence of any such Additional Fixed Asset Debt:

(a) The Parent shall deliver to the Fixed Asset Collateral Agents and the ABL Collateral Agent of an officers' certificate stating that the Parent or such Grantor intends to enter into an Additional Fixed Asset Instrument and certifying that the issuance or incurrence of Additional Fixed Asset Debt under such Additional Fixed Asset Instrument is permitted by the ABL Credit Documents and each applicable Additional Fixed Asset Documents;

(b) the administrative agent or trustee and collateral agent for such Additional Fixed Asset Debt shall execute and deliver to the Collateral Agents a Joinder Agreement pursuant to which it becomes a Fixed Asset Collateral Agent hereunder, the Additional Fixed Asset Debt in respect of which such Person is a Fixed Asset Collateral Agent constitutes Fixed Asset Obligations and the related Additional Fixed Asset Claimholders become subject hereto and bound hereby as Fixed Asset Claimholders;

(c) the Fixed Asset Collateral Documents in respect of such Additional Fixed Asset Debt shall be subject to, and shall comply with, Sections 2.03 and 2.04 of this Agreement; and

(d) each existing Collateral Agent shall promptly enter into such documents and agreements (including amendments or supplements to this Intercreditor Agreement) as the Parent or the Additional Fixed Asset Collateral Agent for such Additional Fixed Asset Debt may reasonably request in order to provide to them the rights, remedies and powers and authorities contemplated hereby, in each consistent in all respects with the terms of this Intercreditor Agreement.

Notwithstanding the foregoing, nothing in this Agreement will be construed to allow the Parent or any other Grantor to incur additional indebtedness unless otherwise permitted by the terms of each applicable Credit Document.

ARTICLE 6
INSOLVENCY OR LIQUIDATION PROCEEDINGS.

Section 6.01. *Finance Issues*. Until the Discharge of ABL Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the ABL Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) constituting ABL Priority Collateral on which the ABL Collateral Agent or any other creditor has a Lien or to permit any Grantor to obtain financing, whether from the ABL Claimholders or any other Person (whether or not secured by any ABL Priority Collateral) under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law ("**DIP Financing**") then each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meet the following requirements: (i) the Fixed Asset Collateral Agents and the Fixed Asset Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are materially prejudicial to their interests in the Fixed Asset Priority Collateral, and (ii) the terms of the DIP Financing (A) do not compel the applicable Grantor to seek confirmation of a specific

plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document, (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order, and (C) do not require that any Lien of the Fixed Asset Collateral Agents on the Fixed Asset Priority Collateral be subordinated to or *pari passu* with the Lien on the Fixed Asset Priority Collateral securing such DIP Financing. To the extent the Liens securing the ABL Obligations are subordinated to or *pari passu* with such DIP Financing which meets the requirements of clauses (i) through (ii) above, each Fixed Asset Collateral Agent will subordinate its Liens in the ABL Priority Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the ABL Collateral Agent or to the extent permitted by Section 6.03).

Section 6.02. *Relief from the Automatic Stay*. (a) Until the Discharge of ABL Obligations has occurred, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Priority Collateral, without the prior written consent of the ABL Collateral Agent, unless a motion for adequate protection permitted under Section 6.03 has been denied by the bankruptcy court.

(b) Until the Discharge of Fixed Asset Obligations has occurred, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Fixed Asset Priority Collateral (other than to the extent such relief is required to exercise its rights under Section 3.03), without the prior written consent of the Controlling Fixed Asset Collateral Agent, unless a motion for adequate protection permitted under Section 6.03 has been denied by the bankruptcy court.

Section 6.03. *Adequate Protection*. (a) Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(i) any request by the ABL Collateral Agent or the ABL Claimholders for adequate protection with respect to the ABL Priority Collateral; *provided* that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute ABL Priority Collateral and (B) if such additional assets or property shall also constitute Fixed Asset Priority Collateral, (1) a Lien shall have been created in favor of the Fixed Asset Claimholders in respect of such Collateral and (2) the Lien in favor of the ABL Claimholders shall be subordinated to the extent set forth in this Agreement; or

(ii) any objection by the ABL Collateral Agent or the ABL Claimholders to any motion, relief, action or proceeding based on the ABL Collateral Agent or the

ABL Claimholders claiming a lack of adequate protection; *provided* that if the ABL Collateral Agent is granted adequate protection in the form of additional collateral, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders may seek or request adequate protection in the form of Lien on such additional collateral; it being understood and agreed that (A) if such additional collateral shall also constitute Fixed Asset Priority Collateral, the Lien on such additional collateral in favor of the ABL Collateral Agent shall be subordinate to the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents and (B) if such additional collateral shall also constitute ABL Priority Collateral, the Lien on such additional collateral in favor of the ABL Collateral Agent shall be senior to the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents, in each case with respect to the foregoing clauses (A) and (B), to the extent required by this Agreement.

(b) The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(i) any request by the Controlling Fixed Asset Collateral Agent for adequate protection with respect to the Fixed Asset Priority Collateral; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Fixed Asset Collateral and (B) if such additional assets or property shall also constitute ABL Priority Collateral, (1) a Lien shall have been created in favor of the ABL Claimholders in respect of such Collateral and (2) the Lien in favor of the Fixed Asset Claimholders shall be subordinated to the extent set forth in this Agreement; or

(ii) any objection by the Controlling Fixed Asset Collateral Agent to any motion, relief, action or proceeding based on the Controlling Fixed Asset Collateral Agent claiming a lack of adequate protection; provided that if the Fixed Asset Collateral Agents are granted adequate protection in the form of additional collateral, the ABL Collateral Agent and the ABL Claimholders may seek or request adequate protection in the form of Lien on such additional collateral; it being understood and agreed that (A) if such additional collateral shall also constitute ABL Priority Collateral, the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents shall be subordinate to the Lien on such additional collateral in favor of the ABL Collateral Agent and (B) if such additional collateral shall also constitute Fixed Asset Priority Collateral, the Lien on such additional collateral in favor of the Fixed Asset Collateral Agents shall be senior to the Lien on such additional collateral in favor of the ABL Collateral Agent, in each case with respect to the foregoing clauses (A) and (B), to the extent required by this Agreement.

(c) Notwithstanding the foregoing provisions in this Section 6.03, in any Insolvency or Liquidation Proceeding:

(i) if the ABL Claimholders (or any subset thereof) are granted adequate protection with respect to the ABL Priority Collateral in the form of additional

collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted ABL Priority Collateral) in connection with any Cash Collateral use or DIP Financing, then the Controlling Fixed Asset Collateral Agent, on behalf of itself or any of the Fixed Asset Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the ABL Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the Fixed Asset Collateral Agents on ABL Priority Collateral;

(ii) if the Fixed Asset Claimholders (or any subset thereof) are granted adequate protection with respect to the Fixed Asset Priority Collateral in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted Fixed Asset Priority Collateral) in connection with any Cash Collateral use or DIP Financing, then the ABL Collateral Agent, on behalf of itself or any of the ABL Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Fixed Asset Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the ABL Collateral Agent on Fixed Asset Priority Collateral;

(iii) in the event the ABL Collateral Agent, on behalf of itself or any of the ABL Claimholders, seeks or requests adequate protection in respect of ABL Priority Collateral and such adequate protection is granted in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted ABL Priority Collateral), then the ABL Collateral Agent, on behalf of itself and any of the ABL Claimholders, agrees that the Fixed Asset Collateral Agents may also be granted a Lien on the same additional collateral as security for the Fixed Asset Obligations and for any Cash Collateral use or DIP Financing provided by the Fixed Asset Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and any of the applicable Fixed Asset Claimholders, agrees that any Lien on such additional collateral securing the Fixed Asset Obligations shall be subordinated to the Liens on such collateral securing the ABL Obligations, any such use of Cash Collateral or any such DIP Financing provided by the Fixed Asset Claimholders (and all Obligations relating thereto) and to any other Liens granted to the Fixed Asset Claimholders as adequate protection, all on the same basis as the other Liens of the Fixed Asset Collateral Agents on ABL Priority Collateral; and

(iv) in the event any Fixed Asset Collateral Agent, on behalf of itself or any of the Fixed Asset Claimholders, seeks or requests adequate protection in respect of Fixed Asset Priority Collateral and such adequate protection is granted in the form of additional collateral of the Credit Parties (even if such collateral is not of a type which would otherwise have constituted Fixed Asset Priority Collateral), then each Fixed Asset Collateral Agent, on behalf of itself and any of the Fixed Asset

Claimholders, agrees that the ABL Collateral Agent may also be granted a Lien on the same additional collateral as security for the ABL Obligations and for any Cash Collateral use or DIP Financing provided by the ABL Claimholders, and the ABL Collateral Agent, on behalf of itself and any of the ABL Claimholders, agrees that any Lien on such additional collateral securing the ABL Obligations shall be subordinated to the Liens on such collateral securing the Fixed Asset Obligations, any such use of cash Collateral or any such DIP Financing provided by the ABL Claimholders (and all Obligations relating thereto) and to any other Liens granted to the ABL Claimholders as adequate protection, all on the same basis as the other Liens of the ABL Collateral Agent on Fixed Asset Priority Collateral.

(d) Except as otherwise expressly set forth in this Article 6 or in connection with the exercise of remedies with respect to (i) the ABL Priority Collateral, nothing herein shall limit the rights of the Fixed Asset Collateral Agents or the Fixed Asset Claimholders from seeking adequate protection with respect to their rights in the Fixed Asset Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise) or (ii) the Fixed Asset Priority Collateral, nothing herein shall limit the rights of the ABL Collateral Agent or the ABL Claimholders from seeking adequate protection with respect to their rights in the ABL Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise).

Section 6.04. *Avoidance Issues*. If any ABL Claimholder or Fixed Asset Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the applicable Grantor any amount paid in respect of ABL Obligations or the Fixed Asset Obligations, as the case may be (a "**Recovery**"), then such ABL Claimholders or Fixed Asset Claimholders shall be entitled to a reinstatement of ABL Obligations or the Fixed Asset Obligations, as the case may be, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

Section 6.05. *Post-Petition Interest*. (a) No Fixed Asset Collateral Agent nor any Fixed Asset Claimholder shall oppose or seek to challenge any claim by the ABL Collateral Agent or any ABL Claimholder for allowance in any Insolvency or Liquidation Proceeding of ABL Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any ABL Claimholder's claim, without regard to the existence of the Lien of the Fixed Asset Collateral Agent on behalf of the Fixed Asset Claimholders on the Collateral.

(b) Neither the ABL Collateral Agent nor any other ABL Claimholder shall oppose or seek to challenge any claim by any Fixed Asset Collateral Agent or any Fixed Asset Claimholder for allowance in any Insolvency or Liquidation Proceeding of Fixed Asset Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the

value of the Lien securing any Fixed Asset Claimholder's claim, without regard to the existence of the Lien of the ABL Collateral Agent on behalf of the ABL Claimholders on the Collateral.

Section 6.06. *Waiver – 1111(b)(2) Issues*. (a) Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, waives any claim it may hereafter have against any ABL Claimholder arising out of the election of any ABL Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code or out of any grant of a security interest in connection with the ABL Priority Collateral in any Insolvency or Liquidation Proceeding.

(b) The ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, waives any claim it may hereafter have against any Fixed Asset Claimholder arising out of the election of any Fixed Asset Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code or out of any grant of a security interest in connection with the Fixed Asset Priority Collateral in any Insolvency or Liquidation Proceeding.

Section 6.07. *Separate Grants of Security and Separate Classification*. (a) Each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, acknowledges and agrees that the grants of Liens pursuant to the ABL Collateral Documents and the Fixed Asset Collateral Documents constitute separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the Fixed Asset Obligations are fundamentally different from the ABL Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. In furtherance of the foregoing, the Fixed Asset Collateral Agent, each for itself and on behalf of the applicable Fixed Asset Claimholders, and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, each agrees that the Fixed Asset Claimholders and the ABL Claimholders will vote as separate classes in connection with any plan of reorganization in any Insolvency or Liquidation Proceeding and that no Collateral Agent nor any Claimholder will seek to vote with the other as a single class in connection with any plan of reorganization in any Insolvency or Liquidation Proceeding.

(b) To further effectuate the intent of the parties as provided in this Section 6.07, if it is held that the claims of the Fixed Asset Claimholders and the ABL Claimholders in respect of the Fixed Asset Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby acknowledges and agrees that, subject to 2.01 and 4.01, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Fixed Asset Collateral (with the effect being that, to the extent that the aggregate value of the Fixed Asset Collateral is sufficient (for this purpose ignoring all claims held by the ABL Claimholders), the Fixed Asset Claimholders shall be entitled to receive, in addition to amounts distributed

to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Fixed Asset Documents, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the ABL Claimholders, with the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby acknowledging and agreeing to turn over to the Controlling Fixed Asset Collateral Agent, for itself and on behalf of the Non-Controlling Fixed Asset Collateral Agent and the Fixed Asset Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the ABL Claimholders).

(c) To further effectuate the intent of the parties as provided in this Section 6.07, if it is held that the claims of the Fixed Asset Claimholders and the ABL Claimholders in respect of the ABL Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders and the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, hereby acknowledges and agrees that, subject to Sections 2.01 and 4.01, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the ABL Collateral (with the effect being that, to the extent that the aggregate value of the ABL Collateral is sufficient (for this purpose ignoring all claims held by the Fixed Asset Claimholders), the ABL Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the ABL Credit Agreement, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the Fixed Asset Claimholders, with each Fixed Asset Collateral Agent, for itself and on behalf of the applicable Fixed Asset Claimholders, hereby acknowledging and agreeing to turn over to the ABL Collateral Agent, for itself and on behalf of the ABL Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Fixed Asset Claimholders).

(d) Notwithstanding anything in the foregoing to the contrary, each Fixed Asset Collateral Agent and the Fixed Asset Claimholders, on the one hand, and the ABL Collateral Agent and the ABL Claimholders, on the other hand, shall retain the right to vote and otherwise act in any Insolvency or Liquidation Proceeding (including the right to vote to accept or reject any plan of reorganization) to the extent not inconsistent with the provisions hereof.

Section 6.08. *Enforceability and Continuing Priority*. This Agreement shall be applicable both before and after the commencement of any Insolvency or Liquidation Proceeding and all converted or succeeding cases in respect thereof. The relative rights of Claimholders in or to any distributions from or in respect of any Collateral or Proceeds of Collateral shall continue after the commencement of any Insolvency Proceeding.

Accordingly, the provisions of this Agreement (including, without limitation, Section 2.01 hereof) are intended to be and shall be enforceable as a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code.

Section 6.09. *Sales*. Subject to Sections 3.01(c)(v) and 3.02(c)(v) and 3.03, each Collateral Agent agrees that it will consent, and will not object or oppose, or support any party in opposing, a motion to dispose of any Priority Collateral of the other party free and clear of any Liens or other claims under Section 363 of the Bankruptcy Code if the requisite ABL Claimholders under the ABL Credit Agreement or Fixed Asset Claimholders under the applicable Fixed Asset Documents, as the case may be, have consented to such disposition of their respective Priority Collateral, such motion does not impair, subject to the priorities set forth in this Agreement, the rights of such party under Section 363(k) of the Bankruptcy Code (so long as the right of any Fixed Asset Claimholder to offset its claim against the purchase price for any ABL Priority Collateral exists only after the ABL Obligations have been paid in full in cash, and so long as the right of any ABL Claimholder to offset its claim against the purchase price for any Fixed Asset Priority Collateral exists only after the Fixed Asset Obligations have been paid in full in cash), and the terms of any proposed order approving such transaction provide for the respective Liens to attach to the proceeds of the Priority Collateral that is the subject of such disposition, subject to the Lien priorities in Section 2.01 and the other terms and conditions of this Agreement. Each Fixed Asset Collateral Agent and the ABL Collateral Agent further agrees that it will not oppose, or support any party in opposing, the right of the other party to credit bid under Section 363(k) of the Bankruptcy Code, subject to the provision of the immediately preceding sentence.

ARTICLE 7
RELIANCE; WAIVERS, ETC.

Section 7.01. *Reliance*. Other than any reliance on the terms of this Agreement, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders under its ABL Credit Documents, acknowledges that it and such ABL Claimholders have, independently and without reliance on any Fixed Asset Collateral Agent or any Fixed Asset Claimholders, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into such ABL Credit Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the ABL Credit Agreement or this Agreement. Other than any reliance on the terms of this Agreement, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, acknowledges that it and the Fixed Asset Claimholders have, independently and without reliance on the ABL Collateral Agent or any ABL Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Fixed Asset Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Fixed Asset Documents or this Agreement.

Section 7.02. *No Warranties or Liability*. The ABL Collateral Agent, on behalf of

itself and the ABL Claimholders under the ABL Credit Documents, acknowledges and agrees that no Fixed Asset Collateral Agent nor any Fixed Asset Claimholder has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Fixed Asset Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Fixed Asset Collateral Agents and the Fixed Asset Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Fixed Asset Documents in accordance with law and the Fixed Asset Documents, as they may, in their sole discretion, deem appropriate. Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, acknowledges and agrees that neither the ABL Collateral Agent nor any ABL Claimholder has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the ABL Credit Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the ABL Collateral Agent and the ABL Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective ABL Credit Documents in accordance with law and the ABL Credit Documents, as they may, in their sole discretion, deem appropriate. No Fixed Asset Collateral Agent nor any Fixed Asset Claimholders shall have any duty to the ABL Collateral Agent or any of the ABL Claimholders, and the ABL Collateral Agent and the ABL Claimholders shall have no duty to any Fixed Asset Collateral Agent or any of the Fixed Asset Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the ABL Credit Documents and the Fixed Asset Documents), regardless of any knowledge thereof which they may have or be charged with.

Section 7.03. *No Waiver of Lien Priorities* . (a) No right of the Collateral Agents, the ABL Claimholders or the Fixed Asset Claimholders to enforce any provision of this Agreement or any ABL Credit Document or Fixed Asset Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by such Collateral Agents, ABL Claimholders or Fixed Asset Claimholders or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the ABL Credit Documents or any of the Fixed Asset Documents, regardless of any knowledge thereof which the Collateral Agents or the ABL Claimholders or Fixed Asset Claimholders, or any of them, may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Grantors under the ABL Credit Documents and Fixed Asset Documents and subject to the provisions of Sections 2.03, 2.04 and 5.03), the Collateral Agents, the ABL Claimholders and the Fixed Asset Claimholders may, at any time and from time to time in accordance with the ABL Credit Documents and Fixed Asset Documents and/or applicable law, without the consent of, or notice to, the other Collateral Agent or the ABL Claimholders or the Fixed Asset Claimholders (as the case may be), without incurring any liabilities to such Persons and without impairing or releasing the Lien priorities and

other benefits provided in this Agreement (even if any right of subrogation or other right or remedy is affected, impaired or extinguished thereby) do any one or more of the following:

(i) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Obligations or any Lien or guaranty thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Collateral Agents or any rights or remedies under any of the ABL Credit Documents or the Fixed Asset Documents;

(ii) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral (except to the extent provided in this Agreement) or any liability of any Grantor or any liability incurred directly or indirectly in respect thereof;

(iii) settle or compromise any Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability in any manner or order that is not inconsistent with the terms of this Agreement; and

(iv) exercise or delay in or refrain from exercising any right or remedy against any security or any Grantor or any other Person, elect any remedy and otherwise deal freely with any Grantor.

(c) Except as otherwise provided herein, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, also agrees that the Fixed Asset Claimholders and the Fixed Asset Collateral Agents shall have no liability to the ABL Collateral Agent or any ABL Claimholders, and the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, hereby waives any claim against any Fixed Asset Claimholder or any Fixed Asset Collateral Agent, arising out of any and all actions which the Fixed Asset Claimholders or any Fixed Asset Collateral Agent may take or permit or omit to take with respect to:

(i) the Fixed Asset Documents;

(ii) the collection of the Fixed Asset Obligations; or

(iii) the foreclosure upon, or sale, liquidation or other disposition of, any Fixed Asset Collateral.

The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees that the Fixed Asset Claimholders and the Fixed Asset Collateral Agents have no duty to them in respect of the maintenance or preservation of the Fixed Asset Priority Collateral, the Fixed

Asset Obligations or otherwise.

(d) Except as otherwise provided herein, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, also agrees that the ABL Claimholders and the ABL Collateral Agent shall have no liability to the Fixed Asset Collateral Agents or any Fixed Asset Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, hereby waives any claim against any ABL Claimholder or the ABL Collateral Agent, arising out of any and all actions which the ABL Claimholders or the ABL Collateral Agent may take or permit or omit to take with respect to:

(i) the ABL Credit Documents;

(ii) the collection of the ABL Obligations; or

(iii) the foreclosure upon, or sale, liquidation or other disposition of, any ABL Collateral.

Each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees that the ABL Claimholders and the ABL Collateral Agent have no duty to them in respect of the maintenance or preservation of the ABL Priority Collateral, the ABL Obligations or otherwise.

(e) Until the Discharge of Fixed Asset Obligations has occurred, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Fixed Asset Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

(f) Until the Discharge of ABL Obligations has occurred, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

Section 7.04. *Obligations Unconditional*. All rights, interests, agreements and obligations of the ABL Collateral Agent and the ABL Claimholders and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any ABL Credit Documents or any Fixed Asset Documents;

(b) except as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Obligations or Fixed Asset Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any ABL Credit Document or any Fixed Asset Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the ABL Obligations or Fixed Asset Obligations or any guaranty thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the any Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the ABL Collateral Agent, the ABL Obligations, any ABL Claimholder, the Fixed Asset Collateral Agent, the Fixed Asset Obligations or any Fixed Asset Claimholder in respect of this Agreement.

ARTICLE 8
MISCELLANEOUS.

Section 8.01. *Conflicts*. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Credit Document or any Fixed Asset Document, the provisions of this Agreement shall govern and control.

Section 8.02. *Effectiveness; Continuing Nature of this Agreement; Severability* . This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the ABL Claimholders and Fixed Asset Claimholders may continue, at any time and without notice to any Collateral Agent, to extend credit and other financial accommodations and lend monies to or for the benefit of any Grantor in reliance hereon. Each of the Collateral Agents, on behalf of itself and the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Consistent with, but not in limitation of, the preceding sentence, each Collateral Agent, on behalf of the applicable Claimholders, irrevocably acknowledges that this Agreement constitutes a "subordination agreement" within the meaning of both New York law and Section 510(a) of the Bankruptcy Code. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver or trustee for any Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the ABL Collateral Agent, the ABL Claimholders and the ABL Obligations has occurred, on the date the Discharge of ABL Obligations has occured, subject to the rights of the ABL Claimholders under Section 6.04; and

(b) with respect to the Fixed Asset Collateral Agents, the Fixed Asset Claimholders and the Fixed Asset Obligations, on the date the Discharge of Fixed Asset Obligations has occurred, subject to the rights of the Fixed Asset Claimholders under Section 6.04.

Section 8.03. *Amendments; Waivers*. No amendment, modification or waiver of any of the provisions of this Agreement by any Fixed Asset Collateral Agent or the ABL Collateral Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent that such amendment, modification or waiver (i) adversely affects or impairs its rights hereunder, under the Fixed Asset Documents or under the ABL Credit Documents or (ii) imposes any additional obligation or liability upon it.

Section 8.04. *Information Concerning Financial Condition of the Grantors and their Subsidiaries* . The ABL Collateral Agent and the ABL Claimholders, on the one hand, and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Grantors and their Subsidiaries and all endorsers and/or guarantors of the ABL Obligations or the Fixed Asset Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Fixed Asset Obligations. Neither the ABL Collateral Agent and the ABL Claimholders, on the one hand, nor the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, on the other hand, shall have any duty to advise the other of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that either the ABL Collateral Agent or any of the ABL Claimholders, on the one hand, or any Fixed Asset Collateral Agent and the Fixed Asset Claimholders, on the other hand, undertakes at any time or from time to time to provide any such information to any of the others, it or they shall be under no obligation:

(c) to make, and shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(d) to provide any additional information or to provide any such information on any subsequent occasion;

(e) to undertake any investigation; or

(f) to disclose any information, which pursuant to accepted or reasonable

commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

Section 8.05. *Subrogation*. (a) With respect to the value of any payments or distributions in cash, property or other assets that any of the Fixed Asset Claimholders or any Fixed Asset Collateral Agent pays over to the ABL Collateral Agent or the ABL Claimholders under the terms of this Agreement, the Fixed Asset Claimholders and Fixed Asset Collateral Agents shall be subrogated to the rights of the ABL Collateral Agent and the ABL Claimholders; *provided*, *however*, that, each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of ABL Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by any Fixed Asset Collateral Agent or the Fixed Asset Claimholders that are paid over to the ABL Collateral Agent or the ABL Claimholders pursuant to this Agreement shall not reduce any of the Fixed Asset Obligations.

(b) With respect to the value of any payments or distributions in cash, property or other assets that any of the ABL Claimholders or the ABL Collateral Agent pays over to any Fixed Asset Collateral Agent or the Fixed Asset Claimholders under the terms of this Agreement, the ABL Claimholders and the ABL Collateral Agent shall be subrogated to the rights of the Fixed Asset Collateral Agents and the Fixed Asset Claimholders; *provided*, *however*, that, the ABL Collateral Agent, on behalf of itself and the ABL Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Fixed Asset Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the ABL Collateral Agent or the ABL Claimholders that are paid over to the Fixed Asset Collateral Agents or the Fixed Asset Claimholders pursuant to this Agreement shall not reduce any of the ABL Obligations.

Section 8.06. *GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL* .

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT (EXCEPT THAT, IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT SHALL BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR

SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH BELOW EACH PARTY'S NAME ON EXHIBIT B HERETO, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (A) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE

FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

Section 8.07. *Notices*. All notices to the Fixed Asset Claimholders and the ABL Claimholders permitted or required under this Agreement shall also be sent to the Fixed Asset Collateral Agents and the ABL Collateral Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States or Canadian mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States or Canadian mail with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on Exhibit B hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

Section 8.08. *Further Assurances*. The ABL Collateral Agent, on behalf of itself and the ABL Claimholders under the ABL Credit Documents, and each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders under the Fixed Asset Documents, and the Grantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Parent, ABL Collateral Agent or any Fixed Asset Collateral Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.

Section 8.09. *Binding on Successors and Assigns*. This Agreement shall be binding upon the ABL Collateral Agent, the ABL Claimholders, the Fixed Asset Collateral Agents, the Fixed Asset Claimholders and their respective successors and assigns.

Section 8.10. *Specific Performance*. Each of the ABL Collateral Agent and each Fixed Asset Collateral Agent may demand specific performance of this Agreement. The ABL Collateral Agent, on behalf of itself and the ABL Claimholders, and each Fixed Asset Collateral Agent, on behalf of itself and the applicable Fixed Asset Claimholders, hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the ABL Collateral Agent or the ABL Claimholders or any Fixed Asset Collateral Agent or the Fixed Asset Claimholders, as the case may be.

Section 8.11. *Headings*. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 8.12. *Counterparts*. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery

of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 8.13. *Authorization*. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

Section 8.14. *No Third Party Beneficiaries*. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the Collateral Agents, the ABL Claimholders and the Fixed Asset Claimholders. Nothing in this Agreement shall impair, as between the Grantors and the ABL Collateral Agent and the ABL Claimholders, or as between the Grantors and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders, the obligations of the Grantors to pay principal, interest, fees and other amounts as provided in the ABL Credit Documents and the Fixed Asset Documents, respectively.

Section 8.15. *Provisions to Define Relative Rights* . The provisions of this Agreement are and are intended for the purpose of defining the relative rights of the ABL Collateral Agent and the ABL Claimholders on the one hand and the Fixed Asset Collateral Agents and the Fixed Asset Claimholders on the other hand. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the ABL Obligations and the Fixed Asset Obligations as and when the same shall become due and payable in accordance with their terms.

Section 8.16. *Further Intercreditors*. In the event that any Grantor incurs any obligations secured by a Lien on any Collateral that is junior to the Fixed Asset Obligations and the ABL Obligations, then the ABL Collateral Agent, the Initial Fixed Asset Collateral Agent, the Controlling Fixed Asset Collateral Agent and each Additional Fixed Asset Collateral Agent shall enter into an intercreditor agreement with the agent or trustee for the secured parties with respect to such secured obligation to reflect the relative lien priorities of such parties with respect to the Collateral and governing the relative rights, benefits and privileges as among such parties in respect of the Collateral, including as to application of proceeds of the Collateral, voting rights, control of the Collateral and waivers with respect to the Collateral, in each case so long as (a) such secured obligations are permitted under, and the terms of such intercreditor agreement do not violate or conflict with, the provisions of this Agreement (including regarding the designation and authority of the Controlling Fixed Asset Collateral Agent), the ABL Credit Documents or the Fixed Asset Documents and (b) the form and substance of such intercreditor agreement is otherwise reasonably acceptable to the ABL Collateral Agent, the Initial Fixed Assets Collateral Agents, the Controlling Fixed Assets Collateral Agents, as applicable.

Each party hereto agrees that the ABL Claimholders (as among themselves) and the Fixed Asset Claimholders (as among themselves) may each enter into intercreditor

agreements (or similar arrangements) governing the rights, benefits and privileges as among the ABL Claimholders or the Fixed Asset Claimholders, as the case may be, in respect of the Collateral, this Agreement, the ABL Credit Documents or the applicable Fixed Asset Documents, as the case may be, including as to the application of proceeds of the Collateral, voting rights, control of the Collateral and waivers with respect to the Collateral, in each case so long as the terms thereof do not violate or conflict with the provisions of this Agreement, the other ABL Credit Documents and Fixed Asset Documents, as the case may be. If any such intercreditor agreement (or similar arrangement) is entered into, the provisions thereof shall not be (or be construed to be) an amendment, modification or other change to this Agreement, any ABL Credit Document or Fixed Asset Document, and the provisions of this Agreement and the ABL Credit Documents and Fixed Asset Documents shall remain in full force and effect in accordance with the terms hereof and thereof (as such provisions may be amended, modified or otherwise supplemented from time to time in accordance with the terms hereof and thereof, including to give effect to any intercreditor agreement (or similar arrangement)).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BANK OF AMERICA, N.A., as Initial
Fixed Asset Administrative Agent and
Initial Fixed Asset Collateral Agent

By: _____
Name:
Title:

[Signature Page to the Intercreditor Agreement]

BANK OF AMERICA, N.A., as ABL Administrative Agent and ABL Collateral Agent

By: _____
Name:
Title:

[Signature Page to the Intercreditor Agreement]

Acknowledged and Agreed to by:

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

BPS GREENLAND CORP.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.

8848076 CANADA CORP.

By: _____

Name:
Title:

Exhibit A

[FORM OF] JOINDER AGREEMENT NO. [ ] dated as of [ ], 20[ ] to the INTERCREDITOR AGREEMENT dated as of April 15, 2014 (the "**Intercreditor Agreement**"), among Bauer Performance Sports Ltd., a Canadian corporation (the " **Parent**"), Bauer Hockey Corp., a Canadian corporation (the "**Lead Canadian Borrower**"), Bauer Hockey, Inc., a Vermont corporation, (the " **Lead U.S. Borrower**" and, together with the Lead Canadian Borrower, the " **Lead Borrowers**"), each additional Subsidiary of the Parent party hereto from time to time as a Borrower or Guarantor, Bank of America, N.A. as ABL Administrative Agent and ABL Collateral Agent under the ABL Credit Agreement and [Bank of America, N.A.], as [Initial Fixed Asset Administrative Agent and as Initial Fixed Asset Collateral Agent under the Initial Fixed Asset Credit Agreement and] Controlling Fixed Asset Collateral Agent and the Additional Fixed Asset Collateral Agents from time to time a party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

B. As a condition to the ability of the Parent to incur Additional Fixed Asset Debt after the date of the Intercreditor Agreement and to secure such Additional Fixed Asset Debt with the Lien and to have such Additional Fixed Asset Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Fixed Asset Collateral Documents, the [collateral agent] in respect of such Additional Fixed Asset Debt is required to become an Additional Fixed Asset Collateral Agent under, and such Additional Fixed Asset Debt and the Fixed Asset Claimholders in respect thereof are required to become subject to and bound by, the Intercreditor Agreement. Section 5.06(b) of the Intercreditor Agreement provides that such collateral agent may become a Fixed Asset Collateral Agent under, and such Additional Fixed Asset Debt and such Fixed Asset Claimholders may become subject to and bound by, the Intercreditor Agreement, pursuant to the execution and delivery by the New Additional Fixed Asset Collateral Agent (as defined below) of an instrument in the form of this Joinder Agreement and the satisfaction of the other conditions set forth in Section 5.06 of the Intercreditor Agreement. The undersigned collateral agent (the "**New Additional Fixed Asset Collateral Agent** ") is executing this Joinder Agreement in accordance with the requirements of the applicable Additional Fixed Asset Documents.

Accordingly, the ABL Collateral Agent, the Controlling Fixed Asset Collateral Agent and the New Additional Fixed Asset Collateral Agent agree as follows:

SECTION 1. In accordance with Section 5.06(b) of the Intercreditor Agreement, the New Additional Fixed Asset Collateral Agent by its signature below becomes a Fixed Asset Collateral Agent under, and the related Additional Fixed Asset Debt and Additional Fixed Asset Claimholders become subject to and bound by, the Intercreditor Agreement with the same force and effect as if the New Additional Fixed Asset Collateral Agent had originally been named therein as a Fixed Asset Collateral Agent, and the New Additional Fixed Asset Collateral Agent, on behalf of itself and such Fixed Asset Claimholders, hereby agrees to all the terms and provisions of the Intercreditor Agreement applicable to it as a Fixed Asset Collateral Agent and to the Fixed Asset Claimholders that it represents as Fixed Asset Claimholders. Each reference to a "**Fixed Asset Collateral Agent** " or "**Additional Fixed Asset Collateral Agent** " in the Intercreditor Agreement shall be deemed to

include the New Additional Fixed Asset Collateral Agent. The Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Additional Fixed Asset Collateral Agent represents and warrants to the ABL Collateral Agent, the Controlling Fixed Asset Collateral Agent and the other Claimholders that (i) it has full power and authority to enter into this Joinder Agreement, in its capacity as [agent] [trustee], (ii) this Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, (iii) the Additional Fixed Asset Documents relating to such Additional Fixed Asset Debt provide that, upon the New Additional Fixed Asset Collateral Agent's entry into this Joinder Agreement, the Fixed Asset Claimholders in respect of such Fixed Asset Debt will be subject to and bound by the provisions of the Intercreditor Agreement as Fixed Asset Claimholders and (iv) the applicable Additional Fixed Asset Claimholders and the Collateral with respect to such Additional Fixed Asset Debt have agreed to be bound by the terms and conditions of the Intercreditor Agreement.

SECTION 3. This Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Joinder Agreement shall become effective when the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent shall have received a counterpart of this Joinder Agreement that bears the signature of the New Additional Fixed Asset Collateral Agent. Delivery of an executed signature page to this Joinder Agreement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Joinder Agreement.

SECTION 4. Except as expressly supplemented hereby, the Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Joinder Agreement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.07 of the Intercreditor Agreement. All communications and notices hereunder to the New Additional Fixed Asset Collateral Agent shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Parent agrees to reimburse the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent for their respective reasonable out-of-pocket expenses in connection

with this Joinder Agreement, including the reasonable fees, other charges and disbursements of counsel for the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent.

IN WITNESS WHEREOF, the New Additional Fixed Asset Collateral Agent, the ABL Collateral Agent and the Controlling Fixed Asset Collateral Agent have duly executed this Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW ADDITIONAL FIXED ASSET COLLATERAL AGENT as [●] for the holders of [●]

By: _____
Name:
Title:

Address for notices:

Attention of:

Telecopy:

BANK OF AMERICA, N.A., as ABL Collateral Agent

By: _____
Name:
Title:

[●],
as Controlling Fixed Asset Collateral Agent

By: _____
Name:
Title:

Acknowledged and Agreed to by:

BAUER PERFORMANCE SPORTS LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

BAUER PERFORMANCE LACROSSE CORP.

BAUER PERFORMANCE LACROSSE INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

BPS GREENLAND CORP.

BPS GREENLAND INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.

By: _____

Name:
Title:

Grantors

[●]

Exhibit B

Notice Addresses

ABL Collateral Agent:

Bank of America, N.A.
Gregory Kress
Senior Vice President
225 Franklin St. - MA1-225-02-05
Boston, MA 02110
Phone: (617) 346-1181
Email: gregory.kress@baml.com
Fax Number: (312) 453-4396

Grantors:

100 Domain Drive
Exeter, New Hampshire 03833
Attention: Michael Wall, Vice President and General Counsel
Phone: 603-610-5805
E-mail: Michael.Wall@bauer.com
Fax Number: 603-430-7332

Initial Fixed Asset Collateral Agent:

Bank of America, N.A.
Agency Management
901 Main Street, 14th Floor
Mail Code: TX1-492-14-11
Dallas, TX 75202
Attn: Ronaldo Naval
Phone: 214-209-1162
Email: ronaldo.naval@baml.com
Fax Number: 877-511-6124

EXECUTION VERSION
Exhibit 10.3

AMENDMENT NO. 1 TO CREDIT AGREEMENT

AMENDMENT (this "**Amendment**") dated as of July 14, 2015 to the ABL Credit Agreement dated as of April 15, 2014 (the "**Credit Agreement**") among Performance Sports Group Ltd. (f/k/a Bauer Performance Sports Ltd.), Bauer Hockey Corp., Bauer Hockey, Inc., the Subsidiary Borrowers party thereto, various Lenders and Bank of America, N.A., as Administrative Agent and Collateral Agent.

W I T N E S S E T H :

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth herein;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1 .*Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

SECTION 2 . *Definition of Eligible Inventory.* The definition of "Eligible Inventory" in Section 1.01 of the Credit Agreement is amended to:

(a) replace clause (iv) of the fourth sentence thereof with the following:

(A) is placed on consignment, unless a valid consignment agreement which is reasonably satisfactory to Administrative Agent is in place with respect to such Inventory or (B) is in transit (except to the extent such Inventory (x)(1) is purchased under documentary letters of credit (other than Letters of Credit) and is in transit from any location in the United States or Canada for receipt by a Borrower within fifteen (15) days of the date of determination or (2) is in transit from any location outside of the United States or Canada for receipt by a Borrower within 60 days of the date of determination) and constitutes Eligible In-Transit Inventory, or (y) is in transit between locations leased, owned or occupied by a Borrower);

and

(b) replace clause (v) of the fourth sentence thereof with the following:

is covered by a negotiable document of title, unless such inventory is Eligible In-Transit Inventory or such document of title has been delivered to the Administrative Agent with all necessary endorsements, free and clear of all Liens except Liens in favor of landlords, carriers, bailees and warehousemen if clause (iii) has been complied with;

SECTION 3 . *Definition of Eligible In-Transit Inventory.* Section 1.01 of the Credit Agreement is amended to add the following definition in the appropriate alphanumeric order:

"**Eligible In-Transit Inventory**" shall mean Inventory owned by a Borrower that would be Eligible Inventory if it were not subject to a negotiable document of title and in transit from a foreign location to a location of the Borrower within the United States, and that the Administrative Agent, in its Permitted Discretion, deems to be Eligible In-Transit Inventory. Without limiting the foregoing, (a) no Inventory shall be Eligible In-Transit Inventory unless it (i) is fully insured in a manner reasonably satisfactory to the Administrative Agent; (ii) it is not sold by a vendor that has a right to reclaim, divert shipment of, repossess, stop delivery, reserve title or otherwise enjoy Lien rights against the Inventory, or with respect to whom any Borrower is in default of any material obligations; (iii) it is subject to purchase orders and other sale documentation reasonably satisfactory to the Administrative Agent, and title has passed to the relevant Borrower; (iv) it is shipped by a common carrier that is not affiliated with the vendor and is not subject to any Sanction or on any specially designated nationals list maintained by OFAC; and (v) it is being handled by a customs broker, freight-forwarder or other handler that has delivered a Lien Waiver; and (b) no Inventory shall be Eligible in-Transit Inventory following the occurrence of a Liquidity Event unless it (i) satisfies all of the conditions set forth in the foregoing clause (a) and (ii) is subject to a negotiable document of title showing the Administrative Agent (or, with the consent of the Administrative Agent, the applicable Borrower) as consignee, which document of title is in the possession of the Administrative Agent or such other Person as the Administrative Agent shall approve.

SECTION 4 . *Definition of Lien Waiver*. Section 1.01 of the Credit Agreement is amended to add the following definition in the appropriate alphanumeric order:

"**Lien Waiver**" shall mean an agreement, in form and substance satisfactory to the Administrative Agent, by which, for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any documents of title in its possession relating to the Collateral as agent for the Collateral Agent, and agrees to deliver the Collateral to the Collateral Agent upon request.

SECTION 5 . *FATCA Grandfathered Status*. Section 4.01(a) of the Credit Agreement is amended to add the following clause as a separate second paragraph:

Solely for purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of the Amendment, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

SECTION 6 . *Representations of Parent and Borrowers.* The Parent and each of the Borrowers represents and warrants that (i) the representations and warranties of the Parent and Borrowers set forth in Article 7 of the Credit Agreement are true and correct as of the date hereof and (ii) no Default will have occurred and be continuing on such date.

SECTION 7 . *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 8 . *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 9 . *Effectiveness.* This Amendment shall be effective as of the date first written above.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

PERFORMANCE SPORTS GROUP LTD.

BAUER HOCKEY CORP.

BAUER HOCKEY, INC.

PERFORMANCE LACROSSE GROUP CORP.

PERFORMANCE LACROSSE GROUP INC.

BAUER PERFORMANCE SPORTS UNIFORMS CORP.

BAUER PERFORMANCE SPORTS UNIFORMS INC.

BPS DIAMOND SPORTS CORP.

BPS DIAMOND SPORTS INC.

EASTON BASEBALL / SOFTBALL CORP.

EASTON BASEBALL / SOFTBALL INC.

BPS US HOLDINGS INC.

KBAU HOLDINGS CANADA, INC.

MISSION ITECH HOCKEY, INC.

BPS CANADA INTERMEDIATE CORP.

By: /s/ Michael J. Wall

Name: Michael J. Wall
Title: Vice President, General Counsel and Corporate Secretary

BANK OF AMERICA, N.A.,
as Administrative Agent and
Collateral Agent

By: /s/ Gregory A. Kress
Name: Gregory A. Kress
Title: Senior Vice President,
BANK OF AMERICA,
N.A.

[Signature Page to Amendment No. 1]

BANK OF AMERICA, N.A. (acting through its Canada Branch) as Canadian Revolving Lender

By: /s/ Sylwia Durkiewicz
Name: Sylwia Durkiewicz
Title: Vice President

[Signature Page to Amendment No. 1]

Fifth Third Bank, as Lender

By: /s/ Stephen Pepper
Name: Stephen Pepper
Title: Vice President

[Signature Page to Amendment No. 1]

JPMORGAN CHASE BANK N.A., as
Lender

By: /s/ Thomas G. Williams
Name: Thomas G. Williams
Title: Authorized Officer

[Signature Page to Amendment No. 1]

ROYAL BANK OF CANADA, as
Lender

By: /s/ Robert Kizell
Name: Robert Kizell
Title: Attorney in Fact

By: /s/ Michael Petersen
Name: Michael Petersen
Title: Attorney in Fact

[Signature Page to Amendment No. 1]

Wells Fargo Bank, N.A., as Lender

By: /s/ Kathryn Scharre
Name: Kathryn Scharre
Title: Authorized Signatory

Wells Fargo Capital Finance
Corporation Canada, as Lender

/s/ Domenic Cosentino
Domenic Cosentino
Vice President
Wells Fargo Capital Finance
Corporation Canada

[Signature Page to Amendment No. 1]

Exhibit 10.4

TRADEMARK LICENSE AGREEMENT
(VAPOR®)

AMONG

NIKE, INC.,

NIKE INTERNATIONAL LIMITED, AND

NIKE BAUER HOCKEY CORP.

April 16, 2008

Table of Contents

TRADEMARK LICENSE AGREEMENT
(VAPOR®)

This TRADEMARK LICENSE AGREEMENT (this "**Agreement**"), effective as of April __, 2008 (the "**Agreement Effective Date**"), is among NIKE, Inc., an Oregon corporation ("**NIKE, Inc.**"), NIKE International Limited, a corporation organized under the laws of Bermuda ("**NIL**"), NIKE Bauer Hockey Corp., a Nova Scotia unlimited company ("**Licensee**"), and, solely for the purposes of Section 3, Buyer (as defined below).

RECITALS

A. NIKE, Inc. and NIL (collectively, "**NIKE**") and their Affiliates are designers, marketers and distributors of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities.

B. NIKE, Inc. is the direct or indirect owner of all of the outstanding capital stock of each of Licensee and NIKE Bauer Hockey U.S.A., Inc., a Vermont corporation ("**NBH USA**").

C. KBAU Acquisition Canada, Inc., a corporation existing under the laws of Canada ("**Canadian Buyer**") will acquire all of the outstanding capital stock of Licensee, pursuant to that certain Canadian Stock Purchase Agreement dated on or about February 20, 2008 (the "**Canada Stock Purchase Agreement**"), and KBAU Holdings US, Inc., a Delaware corporation ("**U.S. Buyer,**" and, together with Canadian Buyer, "**Buyer**") will acquire all of the outstanding capital stock of NBH USA, pursuant to that certain Stock Purchase Agreement dated on or about February 20, 2008 (the "**USA Stock Purchase Agreement**") (the Canada Stock Purchase Agreement and the USA Stock Purchase Agreement are, together, the "**Purchase Agreements**").

D. As an inducement for Buyer to enter into the Purchase Agreements and as a condition to the closing of the transactions contemplated by the Purchase Agreements, NIKE and Licensee are entering into this Agreement.

E. NIKE and Licensee intend for this Agreement to be effective only upon the closing of the transactions contemplated by the Purchase Agreements. Concurrently with the execution of this Agreement, NIKE and Licensee are also entering into the following agreements: (i) Trademark Coexistence Agreement (SUPREME); and (ii) Trademark License Agreement (NIKE, AIR, DRI-FIT, iD, "swoosh"), which along with this Agreement, constitute the "Trademark Agreements."

F. Licensee and its Affiliates are in the business of designing, developing, manufacturing, producing, assembling, marketing, promoting, distributing, offering to sell, selling and supporting Hockey and Skating (as defined below) apparel, accessories and equipment, and providing services related to the foregoing (the "**Business**").

G. NIKE and/or its Affiliates are the owners of all worldwide right, title and interest in and to the Licensed Mark (as defined below). NIKE and Licensee wish to enter into a license agreement to provide Licensee certain trademark rights necessary to conduct the Business.

AGREEMENT

1. DEFINITIONS.

Unless otherwise defined in this Agreement, terms that are capitalized in this Agreement will be defined as set forth below:

1.1. **"Advertising Materials"** means all sales materials, merchandising materials, communication materials, labels, hang tags, displays (including trade booth displays and materials, and shelving and other fixtures), point of purchase items, posters, signs and other point-of-sale graphics, scripts, video tapes, drawings, pictures, designs, music, mockups, layouts, catalogs, collateral and other elements, forms and aspects of advertisements, marketing and promotional materials or signage relating to the Licensed Products (as defined below) and used, proposed to be used or directed by or on behalf of Licensee, in any media now known or hereafter developed. Any reference to marketing or promotion in connection with the Licensed Products or Licensee in this Agreement will be deemed to include marketing and promotion through the use of Advertising Materials.

1.2. **"Affiliate"** of a Person means another Person that, directly or indirectly, controls, is controlled by or is under common control with the Person in question.

1.3. **"Business Day"** means every day other than a Saturday or Sunday or other day upon which banks in New York, New York are authorized or required by law to close.

1.4. "**Claim**" means all claims, demands, actions, causes of action, proceedings (including proceedings under the U.S. Bankruptcy Code or any similar foreign debtor relief law), judgments, appeals and other post-judgment proceedings, settlements, liabilities, obligations, losses, damages, expenses, costs and fees (including reasonable attorneys' fees, regardless of whether a proceeding is brought), whether arising under contract, tort (including negligence), strict liability, a statute or any other theory.

1.5. "**Commence**" has the meaning ascribed to such term in Section 6.2.

1.6. "**Commencing Party**" has the meaning ascribed to such term in Section 6.4.

1.7. "**Confidential Information**" means all information relating to Discloser's or its Affiliates' business, regardless of the medium on which the information is stored, recorded, conveyed or communicated, and whether or not specifically identified as "Confidential" or "Proprietary," including: (a) cost, pricing, profit, production and other accounting, economic and financial data; (b) technical drawings, product designs, artistic and scientific data, product specifications and manufacturing know-how; (c) ideas for research and development; (d) source code and other computer software (including software that is proprietary to third parties); (e) results, records, text, samples, photographs, graphic representations and audiovisual works; (f) information that Discloser must keep confidential as a result of obligations to third parties; (g) inventions, whether or not patentable; (h) the identity of Discloser's customers and suppliers; (i) personnel and human resources data, files and other information about employees; (j) business and marketing plans, strategies, policy statements and forecasts; (k) information to which Recipient has access while on Discloser's business premises; (l) customized goods or services to be furnished by Recipient under an agreement with Discloser; (m) trade secrets; and (n) summaries, excerpts, compilations and notes prepared by Recipient or others related to any of the preceding.

1.8. "**Core Jurisdiction**" means Austria, Canada, Czech Republic, England, Finland, France, Germany, Japan, Latvia, Norway, Russia, Slovakia, Sweden, Switzerland, and the United States.

1.9. "**Creditor**" means any creditor, lender or debt provider of Licensee or Buyer.

1.10. "**Discloser**" has the meaning ascribed to such term in Section 10.1.

1.11. "**Distribution Jurisdiction**" means Australia, China, Denmark, Hungary, Italy, Netherlands and South Korea.

1.12. "**Facility**" means any factory, plant, or other facility in which any Licensed Product, or component thereof, is manufactured or modified, whether or not owned by Licensee or its Affiliates; *provided, however*, that warehouses and distribution centers will not be considered Facilities, if Licensed Products, or components thereof, are not also manufactured or modified at such warehouses or distribution centers.

1.13. "**Hockey**" means ice hockey, roller hockey and street hockey.

1.14. "**Hockey and Skating Indicia**" means words (such as "BAUER", "HOCKEY" or "SKATING"), graphics, indicia or designs signifying Hockey or Skating (including those words, graphics, indicia and designs set forth on ***Exhibit A*** as used by the Licensee as of the Agreement Effective Date), in each case, as used alone or in combination with any other Hockey and Skating Indicia; *provided, however,* that "Hockey and Skating Indicia" does not include trademarks, logos, trade names or other designations owned by a NIKE Competitor.

1.15. "**Indemnitor**" has the meaning ascribed to such term in Section 9.3.

1.16. "**Indemnitee**" has the meaning ascribed to such term in Section 9.3.

1.17. "**Infringement**" has the meaning ascribed to such term in Section 6.1.

1.18. "**Infringement Action**" has the meaning ascribed to such term in Section 6.2.

1.19. "**Licensed Apparel**" means (a) clothing articles specifically and primarily manufactured for, and intended for use by, Hockey or Skating participants during competition, training for competition or Hockey or Skating recreation; (b) accessories (including bags, backpacks and water bottles) that are marketed to, or appeal to, a Hockey or Skating athlete or fan; (c) Shower Sandals; and (d) leisurewear and casual wear specifically made for or appealing to a Hockey or Skating athlete or fan or bearing Hockey and Skating Indicia other than the Licensed Mark itself); *provided*, *however*, that "Licensed Apparel" does not include (i) footwear other than Shower Sandals or (ii) clothing articles or accessories specifically and primarily manufactured for participants in athletic activities other than Hockey or Skating. For the avoidance of doubt, bags, backpacks and water bottles will be deemed to be Licensed Apparel and not Licensed Equipment.

1.20. **"Licensed Equipment"** means equipment (including skates for Hockey or Skating and protective Hockey pants and shells) and accessories (including laces and other accessories for skates for Hockey or Skating) specifically and primarily manufactured for Hockey or Skating participants during Hockey or Skating competitions, training or recreational play; *provided*, *however*, that "Licensed Equipment" does not include equipment specifically and primarily manufactured for participants in athletic activities other than Hockey or Skating. For the avoidance of doubt, skates for Hockey or Skating and protective Hockey pants and shells will be deemed to be Licensed Equipment and not Licensed Apparel.

1.21. **"Licensed Mark"** means NIKE's trademark "VAPOR ®," including all common law rights, all registrations and applications for registration in any jurisdiction throughout the world.

1.22. **"Licensed Products"** means Licensed Apparel and Licensed Equipment that bear, or that upon completion will bear, the Licensed Mark, and services related to retail sales.

1.23. "**Licensee Change of Control**" means, any (a) sale of all or substantially all of the ownership interests in, or all or substantially all of the assets of, Licensee or Parent (that relate to the Licensed Products and Advertising Materials of Licensee, in the case of Licensee), in a single transaction or series of transactions to one or more third parties, (b) any consolidation or merger of Licensee or Parent with or into any third party (that is not an Affiliate of Licensee or Parent) (whether or not Licensee or Parent is the surviving entity), or (c) any other corporate reorganization or single transaction or series of transactions in which an excess of fifty percent (50%) of Licensee's

or Parent's voting power or equity is transferred through a merger, consolidation, tender offer or similar transaction to one or more third parties (that is not an Affiliate of Licensee or Parent).

1.24. "**NIKE Change of Control**" means any (a) sale of all or substantially all of the ownership interests in NIKE, or assets of NIKE, in a single transaction or series of transactions to one or more third parties, (b) any consolidation or merger of NIKE with or into any Person (that is not an Affiliate of NIKE), whether or not such Person is the surviving entity, or (c) any other corporate reorganization or single transaction or series of transactions in which an excess of fifty percent (50%) of NIKE's voting power or equity is transferred through a merger, consolidation, tender offer or similar transaction to one or more third parties (that is not an Affiliate of NIKE).

1.25. "**NIKE Competitor**" means, as of the date of any determination (including as of the date of Licensee's attempted assignment of this Agreement), any Person that, alone and/or through its Affiliates: (a) offers (i) clothing articles specifically and primarily manufactured for training, competition, or recreation in one or more sports or athletic activities other than Hockey or Skating, and (ii) one or more of the following, in each case other than for Hockey or Skating: athletic footwear, athletic accessories, or athletic equipment; and (b) generates gross sales revenue solely from the sale of the products described in clause (a) in excess of US$250 million per year. Without limiting the foregoing, as of the Agreement Effective Date, the Parties agree that NIKE Competitors include those Persons set forth on ***Exhibit B*** hereto and their respective Affiliates; *provided*, *however*, that the Parties acknowledge that, as of a future date of determination (including as of the date of Licensee's attempted assignment of this Agreement), the Persons set forth on ***Exhibit B*** may cease to be NIKE Competitors.

1.26. "**Parent**" means each of KBAU Holdings Canada, Inc., KBAU Holdings Luxembourg S.à r.l. or KBAU Holdings CI Limited, as applicable.

1.27. "**Parties**" means Licensee, NIKE, Inc. and NIL, and "**Party**" means any of them.

1.28. "**Person**" means any individual, corporation, partnership, limited liability company, limited liability partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, government authority or other entity.

1.29. "**Receiver**" means any receiver, trustee, manager or other lawful successor or assign of Licensee or Licensee's assets or business.

1.30. "**Recipient**" has the meaning ascribed to such term in Section 10.1.

1.31. "**Recovery**" has the meaning ascribed to such term in Section 6.2.

1.32. "**Representatives**" means a Party's Affiliates, directors, officers, employees, agents, lenders, stockholders, consultants, advisors and other representatives (including legal counsel and accountants).

1.33. "**Sandals Term**" means the period of time commencing on the Agreement Effective Date and terminating on the second (2nd) anniversary of the Agreement Effective Date.

1.34. "**Shower Sandals**" means open-toed, slip-on, waterproof footwear commonly referred to as "shower sandals," whether or not used while showering, an example of which is set forth on ***Exhibit C***.

1.35. "**Skating**" means figure skating, inline skating and recreational ice skating.

1.36. "**Term**" means the period of time during which this Agreement is in effect.

2. LICENSE GRANT.

2.1. NIKE, and to the extent any Affiliate of NIKE owns any right, title or interest in and to the Licensed Mark, such Affiliates, hereby grant to Licensee an exclusive (even as to NIKE, except pursuant to Section 2.4), worldwide, royalty-free, perpetual (except for Shower Sandals, for which the term of the license granted pursuant to this Agreement will be the Sandals Term), limited license to use the Licensed Mark on or in connection with the manufacture, production, assembly, marketing, promotion, distribution, provision, offering to sell and sale of Licensed Products.

2.2. Licensee will only use the Licensed Mark on Licensed Apparel and Advertising Materials for Licensed Apparel that prominently bear Hockey and Skating Indicia. Hockey and Skating Indicia must be displayed on Licensed Apparel in a manner that will allow both the Hockey and Skating Indicia and the Licensed Mark to reside on the same plane of the Licensed Apparel, such that a consumer looking at the Licensed Apparel from a front, back or side view would observe both the Hockey and Skating Indicia and the Licensed Mark (for example, on a t-shirt, the Hockey and Skating Indicia and the Licensed Mark must both reside on the front, the back or the same side of the t-shirt); *provided, however*, that in the event of an assignment of this Agreement to a NIKE Competitor pursuant to Section 11.2, Hockey and Skating Indicia required to be prominently used on Licensed Apparel bearing the Licensed Mark and Advertising Materials for such Licensed Apparel pursuant to Section 1.9 and this Section 2.2 will, in addition to the foregoing requirements, be: (a) in the case of Licensed Apparel, (i) displayed no more than twelve (12) inches from the most prominent instance of the Licensed Mark on each plane, and (ii) at least one-half (1/2) the size of the largest instance of the Licensed Mark displayed on the same plane(s) of the Licensed Apparel as such Hockey and Skating Indicia; and (b) in the case of visual or printed Advertising Materials for Licensed Apparel, (i) displayed on the same plane or frame as each of the first instance and the largest instance of the Licensed Mark in the visual or printed Advertising Materials, and (ii) in each case, at least one-half (1/2) the size of the largest instance of the Licensed Mark appearing on such plane or frame. For the purpose of clarification, nothing in this Agreement will be deemed to prevent Licensee from using, on or in connection with any product or service during the Term or at any time thereafter, any graphic associated with the Licensed Mark (*provided that* such graphic does not contain the word "VAPOR") or the letter "V" by itself, provided that such use does not violate Sections 4.3(a) or 4.3(b). Notwithstanding anything to the contrary in this Agreement, the Parties agree that Licensee will, within eighteen (18) months after the Agreement Effective Date, (x) discontinue the manufacture, production, assembly, marketing, promotion, distribution, provision, offering to sell, and sale of Licensed Apparel (other than Shower Sandals), and the use of Advertising Materials for Licensed Apparel (other than Shower Sandals), that are not in compliance with this Section 2.2; and (y) cause third parties to discontinue on its behalf the manufacture, production, and assembly of Licensed Apparel (other than Shower Sandals), and the use of Advertising Materials for Licensed Apparel (other than Shower Sandals), that are not in compliance with this Section 2.2. At the end of such eighteen (18) month period, Licensee will destroy or otherwise dispose of any remaining Licensed Apparel (other than Shower Sandals) and Advertising Materials for Licensed Apparel (other than Shower Sandals) that are not in compliance with this Section 2.2.

2.3. Licensee has the right to sublicense its right to use the Licensed Mark to its Affiliates, to third parties and to any Receiver, and to delegate to and permit any Receiver to assume Licensee's rights and obligations under this Agreement, in each case solely in connection with the manufacture, production, assembly, marketing, promotion, distribution, provision, offering to sell and sale of Licensed Products on behalf of Licensee or for the benefit of any Creditor in the realization of any security interest granted to such Creditor, whether in respect of Licensee's right, title and interest under this Agreement or in respect of any Licensed Product or Advertising Materials; *provided*, *however*, that Licensee may not sublicense its rights pursuant to this Section 2.3 to any NIKE Competitor, except (a) to an Affiliate of Licensee constituting a NIKE Competitor which at the time such Person became an Affiliate of Licensee, such Person was not a NIKE Competitor, or (b) in the event of an assignment of this Agreement to a NIKE Competitor pursuant to Section 11.2. Licensee (i) will be responsible for ensuring that its sublicensees' use of the Licensed Mark complies with all the requirements and obligations of Licensee hereunder, and (ii) as between NIKE and Licensee, assumes all responsibility for any actions and omissions of any sublicensees relating to the use of the Licensed Mark and the manufacture, production, assembly, marketing, promotion, distribution, provision, offering to sell and sale of Licensed Products. Licensee's rights and obligations under the license granted in Section 2.1 will not be assigned, delegated, sublicensed, or otherwise transferred in any way in whole or in part, except as provided in this Section 2.3 or in Section 11.2.

2.4. Nothing contained in this Agreement will in any way limit the right of NIKE or its Affiliates to (a) use the Licensed Mark on or in connection with products (including leisurewear, casual wear and accessories manufactured for or marketed to general athletic consumers, but excluding Licensed Products) or services which are manufactured by or for NIKE and/or any of its Affiliates and which are promoted, distributed, provided, marketed, advertised or sold anywhere in the world, or (b) license to others the right to do the same solely on behalf of NIKE; *provided*, *however*, that in consideration of the foregoing, neither NIKE nor its Affiliates will manufacture, produce, assemble, market, promote, distribute, provide, offer for sale or sell, or grant licenses to third parties to manufacture, produce, assemble, market, promote, distribute, provide, offer for sale or sell, Licensed Products under the Licensed Mark during the Term.

2.5. Each Party will give the other Party prompt written notice upon becoming aware of any instances it reasonably believes may constitute confusion in the marketplace based on NIKE's and Licensee's respective uses of the Licensed Mark. In the event of actual confusion, the Parties will work together in good faith to limit such confusion.

2.6. NIKE, Inc. and NIL are entering into this single license agreement for the convenience of the Parties. Although Licensee's rights and obligations with respect to NIKE, Inc. and NIL are separate, wherever this Agreement creates rights in favor of, or obligations on the part of, "NIKE," NIKE, Inc. and NIL will act jointly unless the context requires otherwise or unless NIKE, Inc. or NIL reasonably requests separate treatment, and Licensee will be entitled to treat them as a single entity when performing Licensee's obligations or exercising Licensee's rights. In no event will the licenses from NIKE under this Agreement reduce Licensee's rights beyond what they would have been had NIKE, Inc. and NIL entered into separate license agreements with Licensee, except that if Licensee breaches this Agreement as to either NIKE, Inc. or NIL, Licensee will be deemed to have breached this Agreement as to both NIKE, Inc. and NIL collectively, and both NIKE, Inc. and NIL will be entitled to exercise their respective rights and remedies even if the breach related only to one of them *provided*, *however*, that in no event will there be any duplication of damages.

3. RESTRICTION ON MANUFACTURING OR OTHER RELATIONSHIPS WITH COMPETITORS.

Buyer represents that, as of the date of this Agreement, it currently has no business relationships with any NIKE Competitors other than entities that design, manufacture, market or distribute products with the brand names listed on ***Exhibit D***.

4. RECOGNITION OF OWNERSHIP AND TRADEMARK USE.

4.1. Licensee will use the Licensed Mark only to manufacture, produce, assemble, market, promote, distribute, provide, offer to sell and sell Licensed Products for the purposes set out in, and on the terms and conditions of, this Agreement, and for no other purpose.

4.2. Licensee hereby acknowledges that, as between Licensee and NIKE and its Affiliates, the Licensed Mark, the registrations and applications for registration thereof, the distinctive features thereof and the goodwill attaching thereto are the exclusive property of NIKE and its Affiliates throughout the world, and that no rights, title or interest therein, except the limited license and rights set forth in Section 2, are transferred to Licensee by this Agreement and that any and all prior and future uses by Licensee of the Licensed Mark will inure to the sole benefit of NIKE.

4.3. Licensee will not, at any time during the Term or following termination for any reason, (a) use any marks that would constitute an infringement of NIKE's rights in the Licensed Mark; (b) use the Licensed Mark in any manner that may reflect adversely on the Licensed Mark, on the good name of NIKE, its Affiliates or any of their programs or policies; or (c) use the Licensed Mark on or in connection with any Licensed Products or Advertising Materials that also bear a trademark, logo, trade name, or other designation owned by a NIKE Competitor; *provided, however*, that in the event of an assignment of this Agreement to a NIKE Competitor pursuant to Section 11.2, (i) such assignee will remain a NIKE Competitor for the purposes of the foregoing clause (c) with respect to the use of

the Licensed Mark on or in connection with any Licensed Products that also bear a trademark, logo, trade name, or other designation owned by a NIKE Competitor, including such assignee (other than any trademark, logo, trade name or other designation owned by Licensee or any of its Affiliates prior to, and assigned, transferred or licensed to such assignee in connection with, a Licensee Change of Control resulting in an assignment of this Agreement to a NIKE Competitor pursuant to Section 11.2), and (ii) such assignee's use of the Licensed Mark on or in connection with Advertising Materials will be subject to the terms and conditions set forth in ***Exhibit E***, in addition to the applicable restrictions already imposed by Section 2.2. In no event will the foregoing clause (c) prohibit Licensee from sublicensing to unaffiliated Persons (that are not NIKE Competitors) the right to use the Licensed Mark solely in such unaffiliated Persons' Advertising Materials to market and promote Licensed Products on behalf of Licensee, where such unaffiliated Persons' Advertising Materials may also display the marks of NIKE Competitors to market and promote products of such NIKE Competitors, including, by way of example, in any store catalogs or print advertisements marketing and promoting the Licensed Products and the products of a NIKE Competitor, *provided* that such Advertising Materials may not imply any co-branding or cooperative relationship among (i) Licensee and the Licensed Products, and (ii) NIKE Competitors and products sold by NIKE Competitors, except in the event of any assignment of this Agreement to a NIKE Competitor pursuant to Section 11.2, and then only in accordance with the terms and conditions set forth in ***Exhibit E***. Licensee will not directly or indirectly contest, or aid others in contesting, or do anything that might impair the validity of, the Licensed Mark or NIKE's exclusive ownership of the Licensed Mark.

4.4. Licensee will not at any time register or cause to be registered, in any country, state, or any other jurisdiction throughout the world: (a) the Licensed Mark; (b) any mark that contains the Licensed Mark; (c) any mark that would constitute an infringement of NIKE's rights in the Licensed Mark; or (d) any mark that would constitute an infringement of NIKE's rights in any other mark owned by NIKE and/or its Affiliates.

4.5. Licensee will attach to the Licensed Products all such care and content labeling as is required by applicable federal, state and local law.

5. QUALITY STANDARDS AND INSPECTION.

5.1. Each Licensed Product, and all packaging therefor, will (a) materially comply with applicable laws, (b) be free from material defects, and (c) be of a quality consistent with other products manufactured by or for Licensee.

5.2. Licensee will implement and maintain a monitoring and quality control system to ensure that the Licensed Products and their packaging comply with Licensee's warranty in Section 5.1. The Parties agree that any monitoring and quality control system implemented and maintained by Licensee as of the Agreement Effective Date, will be deemed to comply with this Section 5.2.

5.3. Upon NIKE's request, upon at least ten (10) Business Days notice by NIKE to Licensee, and no more than once per year, Licensee will submit to NIKE (at NIKE's cost) one (1) random sample each of three (3) Licensed Products (and their packaging) taken from regular production, and accompanying Advertising Materials, so that NIKE can evaluate the quality of the Licensed Products and Licensee's use of the Licensed Mark on the Licensed Products, packaging and Advertising Materials.

5.4. Licensee will comply, to the fullest extent possible, with any full or partial mandatory product recall required by applicable law that applies, in whole or in part, to the Licensed Products.

5.5. Licensee will use commercially reasonable efforts to ensure that each Facility manufacturing or producing finished goods will at all times materially comply with all applicable laws. The Parties agree that all of the Facilities in use as of the Agreement Effective Date materially comply with the applicable laws.

5.6. During the Term, an independent third-party inspector mutually agreed to by the Parties will have the right, during normal business hours, upon at least fifteen (15) days' written notice and no more than twice per calendar year,

to inspect the Facilities manufacturing or producing finished goods in order to examine the quality of the Licensed Products in production, to determine whether or not the Licensed Mark is being used properly and to determine whether such Facility manufacturing or producing finished goods materially complies with all applicable laws. NIKE will ensure that any Person conducting such inspections will be bound by confidentiality agreements in form and substance satisfactory to Licensee.

5.7. In the event NIKE determines that Licensee has materially violated the provisions of this Section 5, NIKE will notify Licensee, and Licensee will promptly cure, or take reasonable steps to cure, such violation. If Licensee is unable to cure the violation within a reasonable period of time, not to exceed sixty (60) days, authorized agents or employees of each Party will meet to discuss Licensee's violation, and Licensee's plans to cure such violation.

6. PROTECTION OF THE LICENSED MARK.

6.1. Licensee will give NIKE prompt written notice of any and all infringements, possible infringements, adverse uses, acts of unfair competition or uses by other Persons of marks which it reasonably believes may be confusingly similar to the Licensed Mark (each, an "**Infringement**") of which Licensee has or acquires knowledge, together with all evidence in Licensee's possession, custody or control or which is available to it of such Infringement.

6.2. NIKE, at its own expense and in its absolute discretion, may commence, prosecute, undertake (including through a "cease and desist" letter), bring and/or settle on any terms not inconsistent with this Agreement ("**Commence**") any trademark, unfair competition or related action or proceeding or assert any claim of infringement, unfair competition or any other action (each, an "**Infringement Action**") relating to any Infringement of which Licensee gives NIKE prompt written notice. In such event, NIKE will retain any award, settlement, damages or recovery ("**Recovery**") obtained from such Infringement Action, except to the extent that the Recovery is based in whole or in part on damages suffered by Licensee after the Agreement Effective Date, in which case the Recovery will be allocated as follows: (a) first, NIKE will recover its costs and expenses related to the Infringement Action and the portion of the Recovery that is based on damages suffered by NIKE prior to the Agreement Effective Date; (b) second, if any portion of the Recovery remains after the allocation described in (a), Licensee will recover such portion of the Recovery that is based on damages suffered by Licensee after the Agreement Effective Date; and (c) third, if any portion of the Recovery remains after the allocations described in (a) and (b) above, then NIKE will recover such remaining portion. Licensee may be represented in such Infringement Action by attorneys of its own choice and at its own expense.

6.3. In the event that NIKE does not undertake an Infringement Action within sixty (60) days after NIKE becomes aware of such Infringement through notice by Licensee, then Licensee will have the right, but not the obligation, to Commence an Infringement Action in its own name. Nothing in this Section 6.3 will prevent NIKE from Commencing its own action related to such Infringement at its own expense after such sixty (60) day deadline has expired. In the event Licensee Commences an Infringement Action in its own name and Licensee requires NIKE to join such Infringement Action or a court having jurisdiction over such Infringement Action orders that NIKE join such suit, NIKE will join as a party to such Infringement Action at Licensee's expense. If Licensee elects to Commence an Infringement Action pursuant to this Section 6.3, (a) Licensee will be solely responsible for the expenses associated with such Infringement Action; and (b) NIKE may be represented in such Infringement Action by attorneys of its own choice and at its own expense (except as otherwise provided in this Section 6.3) with Licensee taking the lead in and controlling such Infringement Action. Licensee will be entitled to retain in full any Recovery on Infringement Actions pursued by it pursuant to this Section 6.3, except to the extent that the Recovery is based in whole or in part on damages suffered by NIKE prior to the Agreement Effective Date, in which case the Recovery will be allocated as follows: (x) first, Licensee will recover its costs and expenses related to the Infringement Action and the portion of the Recovery that is based on damages suffered by Licensee after the Agreement Effective Date; (y) second, if any portion of the Recovery remains after the allocation described in (x), NIKE will recover such portion of the Recovery that is based on damages suffered by NIKE prior to the Agreement Effective Date; and (z) third, if any portion of the Recovery remains after the allocations described in (x) and (y) above, then Licensee will recover such remaining portion.

6.4. Upon either Party's reasonable written request in the event such Party (the "**Commencing Party**") Commences an Infringement Action pursuant to this Section 6, the other Party will render to the Commencing Party all reasonable assistance as is reasonably requested in connection with any Infringement Action or other matter relating to protection or enforcement of the Licensed Mark before any court, administrative and/or quasi-judicial agencies, and will make available to the Commencing Party, its representatives, agents, private investigators and attorneys, all of the other Party's records, files and other information reasonably required to assist the Commencing Party with such Infringement Action; *provided, however*, that in no event will the disclosing Party be required to provide or make available such records, files or other information that in the reasonable business judgment of the disclosing Party contains competitively sensitive information. The Commencing Party will reimburse the other Party for reasonable fees and expenses incurred at the request of the Commencing Party under this Section 6. The Commencing Party will indemnify the other Party against any claims made against the other Party, to the extent resulting from the other Party complying with this Section 6.

6.5. Except as provided in this Section 6 or upon the prior written authorization of NIKE, Licensee will not take any action to prevent infringements, imitations or illegal uses of the Licensed Mark by Persons that are not Affiliates of Licensee.

7. TERM AND TERMINATION.

7.1. This Agreement will take effect on the Agreement Effective Date, and, unless terminated as set forth below, will be perpetual in duration; *provided, however,* that with respect to Licensee's right to sell Shower Sandals bearing the Licensed Mark, the term of such license will be limited to the Sandals Term unless this Agreement is earlier terminated as set forth below.

7.2. Licensee may terminate this Agreement without liability by written notice (a) effective immediately, in the event NIKE is in material breach of this Agreement, which breach is incapable of cure or though capable of cure, remains uncured for sixty (60) days after written notice describing in reasonable detail the nature of such material breach, or (b) upon thirty (30) days' prior written notice to NIKE for any reason or no reason.

7.3. Except as provided in ***Exhibit E***, NIKE may terminate this Agreement without liability, by written notice effective immediately, in the event Licensee is in material breach of Sections 2, 4 or 5 of this Agreement and such material breach remains uncured for sixty (60) days after Licensee's receipt of written notice from NIKE describing in reasonable detail the nature of such material breach.

7.4. Upon termination of this Agreement for any reason, the provisions of Sections 1, 4.2, 4.3, 4.4, 7.4, 7.5, 7.6, 7.7, 8.3, 9, 10, 11, the last sentence of Section 6.4 and any other clause that by its nature extends beyond the Term, will survive and continue in force.

7.5. Upon termination of this Agreement, Licensee will discontinue any and all use of the Licensed Mark and will sell, destroy or otherwise dispose of any remaining Licensed Products: (a) immediately, if this Agreement is terminated pursuant to Section 7.3; or (b) within ninety (90) days of the date of termination, if this Agreement is terminated pursuant to Section 7.2. Upon the termination of this Agreement by NIKE, NIKE will have no responsibility to Licensee for any liability or expense incurred by Licensee in connection with the termination hereof, including liability under any agreements for the lease or purchase of warehouses, showrooms, concept stores or factories.

7.6. Without limiting the applicability of Section 7.5 above, upon the earlier of the expiration of the Sandals Term or the termination of this Agreement, Licensee will discontinue any and all use of the Licensed Mark in connection with Shower Sandals and will sell, destroy or otherwise dispose of any remaining Shower Sandals bearing the Licensed Mark: (a) immediately, if this Agreement is terminated pursuant to Section 7.3; or (b) within ninety (90) days after (i) the date of termination, if this Agreement is terminated pursuant to Section 7.2, or (ii) the expiration of the Sandals Term.

7.7. Notwithstanding the termination of this Agreement, each Party will have, and specifically reserves, all rights and remedies it may have at law or in equity with regard to any violation of any term of this Agreement.

8. REPRESENTATIONS, WARRANTIES AND COVENANTS.

8.1. NIKE represents and warrants to Licensee that: (a) it and/or its Affiliates are the sole and exclusive owners of all right, title and interest in and to the Licensed Mark in the Core Jurisdictions, and (b) it has the valid right to license the Licensed Mark for purposes of this Agreement.

8.2. Each Party represents and warrants to the other Party that:

(a) It is validly organized and existing, and in good standing under, the laws of its jurisdiction of formation, and that it has full and unrestricted power and authority to enter into, and to perform its obligations under, this Agreement.

(b) The execution, delivery and performance of its obligations under this Agreement will not violate any agreements or obligations it may have to any other Person or result in any breach or violation of any applicable law by which it or any of its assets is bound.

(c) This Agreement has been duly and validly executed and delivered by it and is binding upon and is enforceable against it in accordance with its terms, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the rights of creditors and except as enforceability may be limited by rules of law governing specific performance, injunctive relief or other equitable remedies.

8.3. Licensee will provide consumers with a warranty on the Licensed Products which is at least equivalent to the warranty which Licensee provides on similar products not bearing the Licensed Mark.

8.4. To the extent any Affiliate of NIKE owns any right, title and interest in and to the Licensed Mark, NIKE will: (a) cause any such Affiliate to comply with the terms of this Agreement, including with respect to the granting of rights in the Licensed Mark to Licensee, (b) not permit any such Affiliate at any time during or after the Term to contest or challenge any provision of this Agreement, and (c) take all necessary action to ensure that any NIKE Change of Control that results in such Affiliate becoming a Person unaffiliated with NIKE will not affect, reduce, or result in any diminution of, Licensee's rights hereunder.

8.5. NIKE will not abandon the Licensed Mark in any Core Jurisdiction without first obtaining the prior written consent of Licensee, which consent will not be unreasonably withheld or delayed; *provided*, *however*, that NIKE's foregoing obligation will not apply unless Licensee: (a) uses the Licensed Mark in such Core Jurisdiction as may be required by such Core Jurisdiction's laws relating to trademark rights; and (b) upon NIKE's request, cooperates with NIKE in preparing and filing renewals, statements of use, and other certificates and/or documents as required by the trademark offices in Core Jurisdictions. NIKE will not expressly abandon trademark registrations or applications for the Licensed Mark in any jurisdiction in which the Licensed Mark is, as of the Agreement Effective Date, registered, or in which an application for such Licensed Mark has been, as of the Effective Date, filed, without first obtaining the prior written consent of Licensee, which consent will not be unreasonably withheld or delayed.

9. INDEMNIFICATION.

9.1. NIKE will indemnify, defend and hold harmless Licensee, its Affiliates and agents from and against all Claims asserted by any Person alleging that Licensee's or any of its sublicensees' respective use of the Licensed Mark in a Core Jurisdiction or Distribution Jurisdiction in accordance with this Agreement violates, dilutes,

misappropriates or infringes such Person's intellectual property or other proprietary rights; and NIKE will pay any fees, costs or damages finally awarded against Licensee attributable to that Claim, but only if Licensee complies with Section 9.3 below. This Section 9.1 will not apply to, and NIKE will not have any liability for, any Claim to the extent such Claim arises from or in connection with any act or omission of Licensee or its Affiliates in violation of this Agreement.

9.2. Licensee will indemnify, defend and hold harmless NIKE, its Affiliates and agents from and against all Claims asserted by any Person alleging any of the following, except to the extent such Claim is subject to indemnification by NIKE pursuant to Section 9.1 above: (a) the Licensed Products or any related goods or services infringe or misappropriate any intellectual property rights of such Person; (b) the Licensed Products are defective; or (c) Licensee, its Affiliates or their respective sublicensees were grossly negligent, breached any representations, warranty or covenant in this Agreement, engaged in intentional misconduct, or violated any applicable law; but only if NIKE complies with Section 9.3 below. This Section 9.2 will not apply to, and Licensee will not have any liability for, any Claim to the extent such Claim arises from or in connection with any act or omission of NIKE or its Affiliates in violation of this Agreement.

9.3. A Party (the "**Indemnitor**") will be obligated to indemnify the other Party (the "**Indemnitee**") under this Section 9 only if the Indemnitee: (a) promptly notifies the Indemnitor in writing of that Claim (except that the Indemnitee's delay in notifying the Indemnitor of a Claim will not excuse the Indemnitor from its indemnity obligations except to the extent the Indemnitor is prejudiced by the delay); (b) cooperates fully with the Indemnitor with respect to that Claim including providing information and assistance as the Indemnitor may request for the defense or settlement of that Claim *provided, however*, that in no event will the Indemnitee be required to provide or make available records, files or other information that in the reasonable business judgment of the Indemnitee contains competitively sensitive information; and (c) grants the Indemnitor the sole and exclusive right and authority to defend, prosecute, negotiate, compromise and otherwise handle the Claim, except that the Indemnitee will be entitled to participate in the defense of any Claim and to employ separate counsel for such purposes, at its own expense. No compromise or settlement of any action, claim or proceeding may be made by an Indemnitor unless full releases as to the subject matter are obtained for the Indemnitee.

10. CONFIDENTIALITY; PUBLICITY.

10.1. The Party receiving Confidential Information ("**Recipient**") of the other Party ("**Discloser**") will, and will cause its Representatives to, maintain in strict confidence and not disclose to any third party (except Recipient's Representatives who have a "need to know", have been advised of the confidential and proprietary nature of the Confidential Information, and are bound by non-use and confidentiality obligations that are at least as restrictive as those described in this Section 10) the Confidential Information of Discloser, except: (a) as may be required by any applicable law, in which case Recipient will, if permissible, promptly notify Discloser of any such requirement and Discloser or its Affiliates will be permitted to seek confidential treatment for such information, and Recipient will cooperate with Discloser in connection therewith; or (b) for such Confidential Information that (i) was, is or becomes generally available to the public other than as a result of a disclosure by Recipient or its Representatives in violation of this Section 10.1, (ii) is or becomes available to Recipient or its Affiliates on a non-confidential basis from a source other than Discloser or its representatives, provided that such source is not known to Recipient or its Affiliates at the time of disclosure to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to Discloser or any other party with respect to such information, or (iii) Recipient independently developed without reference to the Confidential Information. Recipient will be liable for any use or disclosure of Confidential Information by its Representatives that is not permitted pursuant to this Section 10.1.

10.2. With respect to any Confidential Information, Recipient: (a) will use at least the same degree of care in safeguarding Discloser's Confidential Information as Recipient uses to safeguard its own Confidential Information, but in no event less than reasonable care; and (b) upon the discovery of any inadvertent disclosure or unauthorized use of Discloser's Confidential Information, or upon obtaining notice of any inadvertent disclosure or unauthorized use of Discloser's Confidential Information, will take or cause to be taken all actions necessary or reasonably requested

by Discloser to prevent any further inadvertent disclosure or unauthorized use, and Discloser will be entitled to pursue any other remedy at law or in equity which may be available to it (including specific performance).

10.3. Notwithstanding anything herein to the contrary, any Party to this Agreement (and its Representatives) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure.

10.4. Recipient will not use Discloser's Confidential Information for any purpose other than to perform its obligations under the Trademark Agreements.

10.5. Upon Discloser's written request, Recipient will either: (a) return to Discloser all copies of Confidential Documents and any other tangible material embodying or containing Confidential Information, including Confidential Information in its Representatives' possession; or (b) destroy every copy of Confidential Documents and any other tangible material embodying or containing Confidential Information, including all Confidential Information in its Representatives' possession, and deliver to Discloser within five (5) days a written statement verifying such destruction.

10.6. Except as specifically provided in the Trademark Agreements or in any other agreement pursuant to the transactions contemplated by the Purchase Agreements, Licensee will not (a) unless otherwise permitted in writing, use NIKE's name or any NIKE trademark, service mark, logo or copyright protected work (whether or not registered), other than the Licensed Mark (and then only in accordance with the terms of this Agreement) in any of Licensee's Advertising Materials; (b) identify NIKE on Licensee's website or in any metatags or key words for such website, except as necessary to identify Licensee as no longer affiliated with NIKE; provided that NIKE has given its prior consent to such use in writing; or (c) include a hyperlink from any website maintained by Licensee to any NIKE website. Except as specifically provided in the Trademark Agreements or in any other agreement pursuant to the transactions contemplated by the Purchase Agreements, neither Party will make any public announcement regarding (i) such Party's association with the other Party or (ii) the existence of this Agreement, without the prior written consent of the other Party.

11. MISCELLANEOUS.

11.1. Entire Agreement. This Agreement is the entire agreement between the Parties concerning its subject matter, and supersedes all prior and contemporaneous oral and written agreements, commitments, and understandings concerning its subject matter.

11.2. Assignment. Licensee may not assign this Agreement, or any of Licensee's rights or obligations under this Agreement, without the prior written consent of NIKE, which will not be unreasonably withheld; *provided*, *however*, that Licensee may, without the prior written consent of NIKE, (a) pledge, charge or assign this Agreement or grant a security interest in respect of Licensee's right, title or interest therein to any Creditor for collateral security purposes only, or (b) assign this Agreement to any Person in connection with a Licensee Change of Control; *provided*, *further*, *however*, that such Licensee Change of Control will not release Licensee from any of its obligations under this Agreement unless the assignee agrees in writing to be bound by this Agreement in full. Notwithstanding any of the foregoing in this Section 11.2, Licensee may not assign this Agreement or any of Licensee's rights or obligations under this Agreement, to a NIKE Competitor, other than in connection with a Licensee Change of Control. Except as specifically set forth in Section 4.3(c), the Parties acknowledge and agree that, upon an assignment of this Agreement to a NIKE Competitor pursuant to this Section 11.2, such assignee will enjoy all the rights and undertake all the duties and obligations of Licensee hereunder and will no longer be considered a NIKE Competitor for the purposes of this Agreement. Any assignment of this Agreement by Licensee in violation of the foregoing, without NIKE's consent, will be void. NIKE may assign its rights and delegate its duties (but not its indemnity obligations without Licensee's consent, not to be unreasonably withheld) under this Agreement to any third party at any time upon written notice to Licensee.

11.3. Modification. This Agreement may be modified only by a written instrument signed by an authorized representative of each Party, which makes reference to the specific section it purports to amend.

11.4. Waiver. A Party's delay or failure to enforce or insist on strict compliance with any provision of this Agreement will not constitute a waiver or otherwise modify this Agreement. A Party's waiver of any right granted under this Agreement on one occasion will not (a) waive any other right; (b) constitute a continuing waiver; or (c) waive that right on any other occasion.

11.5. Notices. All notices and other communications hereunder will be in writing, will be effective when received, and will in any event be deemed to have been received (a) when delivered, if delivered personally or by commercial hand-delivery service, (b) two (2) Business Days after the Business Day of deposit with Federal Express or similar overnight courier for next day delivery, if delivered by such means, or (c) one (1) Business Day after delivery by facsimile transmission with copy by Federal Express or similar overnight courier, if sent via facsimile plus courier copy (with acknowledgment of complete transmission), to the Parties at the following addresses (or at such other address for a Party as will be specified by like notice):

If to NIKE, to: NIKE, Inc.
Attention: Margo Fowler
One Bowerman Drive
Beaverton, Oregon 97005-6453 USA
Facsimile: +1-503-646-6926

With a copy to: NIKE, Inc.
Attention: General Counsel
One Bowerman Drive, DF-4
Beaverton, Oregon 97005-6453 USA
Facsimile: +1-503-646-6926

If to Licensee to: Nike Bauer Hockey Corp.
905, chemin de la Riviere du Nord
St-Jerome, Quebec, Canada J7Y 5G2
Attention: Tasia Beros – Director, Legal Affairs
Facsimile: +1-450-436-6529

With a copy to: c/o Kohlberg & Company
111 Radio Circle
Mt. Kisco, New York 10549 USA
Attention: Christopher W. Anderson
Facsimile: +1-914-241-7476

And a copy to: Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064 USA
Attention: Angelo Bonvino
Facsimile: +1-212-492-0570

If to Buyer (solely for the purposes of Section 3), to:

c/o Kohlberg & Company
111 Radio Circle
Mt. Kisco, New York 10549 USA
Attention: Christopher W. Anderson
Facsimile: +1-914-241-7476

With a copy to: Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064 USA
Attention: Angelo Bonvino
Facsimile: +1-212-492-0570

11.6. Severability. In the event that any part or provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such part or provision will be deemed severable from this Agreement and the validity of the remaining parts or provisions will not be affected by such holding.

11.7. Injunctive Relief. In the event of Licensee's breach of any of the provisions of Section 2, 3, 4, 5 or 10 of this Agreement, NIKE will be entitled to an injunction or other equitable relief, without the necessity of posting a bond, in addition to any other remedies to which it may be entitled under this Agreement or applicable law.

11.8. Governing Law; Jurisdiction. This Agreement will be interpreted under, and any disputes arising out of this Agreement will be governed by, the laws of the State of Oregon, USA, without reference to its conflicts of law principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply to the interpretation or enforcement of this Agreement. Licensee irrevocably consents to the jurisdiction of the state and federal courts located in the State of Oregon, USA, in connection with all actions arising out of or in connection with this Agreement, and waives any objections that such venue is an inconvenient forum. Licensee further agrees that it will not initiate any action against NIKE in any other jurisdiction. Licensee agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction (including the appropriate courts of the jurisdiction in which Licensee is resident or in which any property or an office of Licensee is located) by suit on the judgment or in any other manner provided by law.

11.9. Attorneys' Fees. The prevailing Party in any litigation under this Agreement will be entitled to recover attorneys' fees and costs.

11.10. Status. Nothing in this Agreement creates a joint venture or partnership, establishes a relationship of principal and agent, establishes a relationship of employer and employee, or establishes any other relationship of a similar nature between the Parties. Neither Party will represent the other Party in any capacity, bind the other Party to any contract, or create or assume any obligation on behalf of the other Party for any purpose whatsoever, except as expressly authorized by this Agreement.

11.11. Interpretation. Section and paragraph headings are for convenience only and do not affect the meaning or interpretation of this Agreement. The words "includes" and "including" are not limited in any way and mean "includes or including without limitation." The term "and/or" means each and all of the Persons, words, provisions or items connected by that term; i.e., it has a joint and several meaning. The word "will" is a synonym for the word "shall." All Recitals and Exhibits attached to or referenced in this Agreement are a part of and are incorporated in this Agreement. Both Parties have had the opportunity to have this Agreement reviewed by their attorneys. Therefore, no rule of construction or interpretation that disfavors the Party drafting this Agreement or any of its provisions will apply to the interpretation of this Agreement. Instead, this Agreement will be interpreted according to the fair meaning of its terms.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Agreement Effective Date. Each individual whose name appears below warrants that he or she is authorized to sign this Agreement on behalf of the Party he or she represents.

NIKE:

NIKE, Inc.

By: /s/ John F. Coburn III

Name: John F. Coburn III

Title: Secretary

Date: April 16, 2008

LICENSEE:

NIKE Bauer Hockey Corp.

By: /s/ John F. Coburn III

Name: John F. Coburn III

Title: Secretary

Date: April 16, 2008

NIKE International Limited

By: /s/ John F. Coburn III

Name: John F. Coburn III

Title: Assistant Secretary

Date: April 16, 2008

BUYER (Solely for the purposes of Section 3):

KBAU HOLDINGS US, INC.

By: /s/ Christopher W. Anderson

Name: Christopher W. Anderson

Title: President

Date: April 16, 2008

KBAU ACQUISITION CANADA, INC.

By: /s/ Christopher W. Anderson

Name: Christopher W. Anderson

Title: President

Date: April 16, 2008

Exhibit A

Hockey and Skating Indicia

This Exhibit is attached to and forms a part of that certain Trademark License Agreement ("Agreement") dated April __, 2008, among NIKE, Inc., NIKE International Limited, NIKE Bauer Hockey Corp., and, solely for the purposes of Section 3 of the Agreement, KBAU Holdings US, Inc. and KBAU Acquisition Canada, Inc. All capitalized terms not defined in this Exhibit will have the meanings assigned to them in the Agreement.

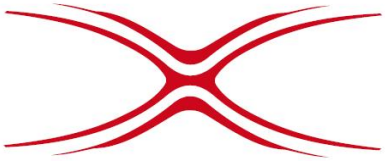

Exhibit B

NIKE Competitors

This Exhibit is attached to and forms a part of that certain Trademark License Agreement ("Agreement") dated April __, 2008, among NIKE, Inc., NIKE International Limited, NIKE Bauer Hockey Corp., and, solely for the purposes of Section 3 of the Agreement, KBAU Holdings US, Inc. and KBAU Acquisition Canada, Inc. All capitalized terms not defined in this Exhibit will have the meanings assigned to them in the Agreement.

1. Adidas
2. Asics
3. Avia
4. Non-Payless Champion / C9
5. Columbia Athletic Footwear
6. DKNY
7. FILA
8. Pacific Trail
9. Underarmour
10. New Balance
11. Oakley
12. Polo Sport
13. Puma
14. Ralph Lauren
15. Reebok
16. Russell
17. Tommy Hilfiger

Exhibit C

Shower Sandals

This Exhibit is attached to and forms a part of that certain Trademark License Agreement ("Agreement") dated April __, 2008, among NIKE, Inc., NIKE International Limited, NIKE Bauer Hockey Corp., and, solely for the purposes of Section 3 of the Agreement, KBAU Holdings US, Inc. and KBAU Acquisition Canada, Inc. All capitalized terms not defined in this Exhibit will have the meanings assigned to them in the Agreement.

Exhibit D

Buyer's Current Business Relationships

This Exhibit is attached to and forms a part of that certain Trademark License Agreement ("Agreement") dated April __, 2008, among NIKE, Inc., NIKE International Limited, NIKE Bauer Hockey Corp., and, solely for the purposes of Section 3 of the Agreement, KBAU Holdings US, Inc. and KBAU Acquisition Canada, Inc. All capitalized terms not defined in this Exhibit will have the meanings assigned to them in the Agreement.

None.

Exhibit E

Advertising Materials

This Exhibit is attached to and forms a part of that certain Trademark License Agreement ("Agreement") dated April __, 2008, among NIKE, Inc., NIKE International Limited, NIKE Bauer Hockey Corp., and, solely for the purposes of Section 3 of the Agreement, KBAU Holdings US, Inc. and KBAU Acquisition Canada, Inc. All capitalized terms not defined in this Exhibit will have the meanings assigned to them in the Agreement.

The following terms and conditions will apply in the event of Licensee's assignment of this Agreement to a NIKE Competitor pursuant to Section 11.2 of the Agreement. For the purposes of this Exhibit E, such assignee will be the "Assignee."

Advertising Materials for Licensed Products directed primarily to the trade (as opposed to consumers), including trade catalogs, may display both the Assignee's marks and the Licensed Mark.

Advertising Materials for Licensed Products directed primarily to consumers, including direct-to-consumer catalogs or mailings, may not display both the Assignee's marks and the Licensed Mark.

Assignee's websites may not display Assignee's marks on the same web page as the Licensed Mark; provided, however, it will not constitute a breach of this Exhibit if a user can navigate to a web page displaying the Licensed Mark from a web page displaying Assignee's mark.

Nothing in this Exhibit E will prohibit any Representative of Assignee from referencing both the Licensed Mark and Assignee's marks in any factual statement, whether oral or written, including securities filings and press releases.

Any breach of this Exhibit E, of which Assignee receives notice, that can be cured timely and completely (e.g., by completely and absolutely removing an instance of the Licensed Mark from Assignee's webpage displaying Assignee's marks) (a "Curable Breach") will not immediately entitle NIKE to receive liquidated damages or a termination right, and will be subject to a cure period of limited duration to be mutually agreed upon between NIKE and Assignee (not to exceed 30 days); provided, however, that more than six Curable Breaches in a 12-month period will entitle NIKE to claim liquidated damages, as described in the next paragraph.

In the event of (1) the occurrence of any breach of this Exhibit E, of which Assignee receives notice, which cannot be cured timely and completely (a "Non-Curable Breach"); or (2) the occurrence of more than six Curable Breaches in a 12-month period, NIKE will be entitled to claim liquidated damages as follows: (A) liquidated damages for the first Non-Curable Breach at any time, or the seventh Curable Breach in a 12-month period, will be $10,000; (B) liquidated damages for the second Non-Curable Breach at any time (no matter the length of time that has passed since the last Non-Curable Breach, provided Assignee is the same Person as the Assignee under the first Non-Curable Breach giving rise to liquidated damages, or an Affiliate of such Person), or the eighth Curable Breach in a 12-month period will be $25,000; (C) the third, fourth and fifth Non-Curable Breaches at any time (subject to the same condition in the foregoing sentence), or the ninth, tenth and eleventh Curable Breaches in a 12-month period, will result in liquidated damages of $50,000, $75,000 and $100,000, respectively. Any subsequent Non-Curable Breach, or any subsequent Curable Breach in the same 12-month period, will subject Assignee to liquidated damages of $100,000 for each breach. More than six Non-Curable Breaches will give NIKE the right to terminate this Agreement pursuant to Section 7.3 of the Agreement.

Exhibit 10.5

Bauer Performance Sports Ltd.

Second Amended and Restated 2011 Stock Option Plan

April 9, 2013

Bauer Performance Sports Ltd.

Second Amended and Restated 2011 Stock Option Plan

Article 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to advance the interests of Bauer Performance Sports Ltd. (the "**Corporation**") by enhancing the ability of the Corporation and any corporations owned or controlled by the Corporation (each a "**Subsidiary**") to attract and retain employees, managers and directors, to reward such individuals for their sustained contributions and to encourage such individuals to take into account the long-term corporate performance of the Corporation and the creation of shareholder value through their participation in the Corporation's share capital by receiving Common Shares.

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein the following terms have the following meanings, respectively:

"**Affiliate**" or "**Affiliated**", with respect to any Person, means any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person other than a natural Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise).

"**Associate**", where used to indicate a relationship with an individual, means (i) any partner of that individual, and (ii) the spouse of that individual and that individual's children, as well as that individual's relatives and that individual's spouse's relatives, if they share that individual's residence.

"**Black-Out Period**" means the period during which designated directors, officers, employees and consultants of the Corporation and, if applicable, any Subsidiary, cannot trade Common Shares pursuant to the Corporation's insider trading policy which is in effect and has not been otherwise waived by the Board at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an Insider, that Insider, is subject).

"**Board**" means the board of directors of the Corporation.

"**Cause**" with respect to any Participant (a) has the meaning, if any, set forth in the employment agreement then in effect, if any, between such Participant and the Corporation or any Subsidiary, or (b) if there is no such meaning set forth in such employment agreement or there is no such employment agreement then in effect, means the following events or conditions, as determined by the Board in its reasonable judgment: (i) willful misconduct of the Participant with regard to the Corporation and its Affiliates which constitutes a material breach of any of his or her obligations set forth in any

written agreement governing the terms of the Participant's service with the Corporation and the Subsidiaries as the same may then be in effect and such breach, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (ii) fraud, embezzlement, theft or other material dishonesty by the Participant with respect to the Corporation or any of its Affiliates; (iii) the Participant's material breach of his or her fiduciary duties as an officer or manager of the Corporation or any of its Affiliates, or as an officer, trustee, director or other fiduciary of any pension or benefit plan of the Corporation or its Affiliates or willful misconduct which has, or could reasonably be expected to have, a material adverse effect upon the business, interests or reputation of the Corporation or any of its Affiliates and such breach or conduct, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (iv) the Participant's indictment for, or a plea of *nolo contendere* to, any felony or an analogous provision under the laws of a local jurisdiction; or (v) refusal or failure by the Participant to attempt in good faith to follow or carry out the reasonable written instructions of the Board which failure, if curable, does not cease within fifteen (15) days after written notice of such failure is given to the Participant by the Board. For purposes of this paragraph, no act, or failure to act, on the Participant's part shall be considered "willful" unless done or omitted to be done by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interests of the Corporation. Notwithstanding the foregoing, to the extent that (x) the Participant is a party to a service agreement with the Corporation or any Subsidiary which includes an alternative definition of Cause or (y) an alternative definition of Cause is provided in the Participant's Option Agreement, "Cause" shall have the meaning assigned thereto in such service agreement or Option Agreement; provided that any alternative definition of Cause in the Option Agreement shall govern and supersede any alternative definition of Cause in such service agreement to the extent of any inconsistencies between such definitions.

"**Change of Control**" means the occurrence of (i) any transaction or series of related transactions, whether or not the Corporation is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Corporation's voting power is owned directly, or indirectly through one or more entities, by any Person and its Affiliates, other than Kohlberg Stockholders and their Affiliates or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation other than in connection with an internal reorganization.

"**Committee**" has the meaning set forth in Section 3.2 of this Plan.

"**Common Shares**" means the common shares of the Corporation.

"**Corporation**" has the meaning set forth in Section 1.1 of this Plan.

"**Date of Grant**" means, for any Option, the date specified by the Board at the time it grants the Option or, if no such date is specified, the date upon which the Option was granted.

"**Director**" means a member of the Board.

"**Exercise Notice**" means a notice in writing, in the form set out in Schedule B, signed by an Optionee and stating the Optionee's intention to exercise a particular Option.

"**Exercise Period**" means the period of time during which an Option granted under this Plan may be exercised, provided, however, that the Exercise Period may not exceed 10 years from the relevant Date of Grant.

"**Exercise Price**" means the price at which a Common Share may be purchased pursuant to the exercise of an Option.

"**Fair Market Value**" means, with respect to any particular date, the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to that date, or as applicable in Appendix 1.

"**Insider**" has the meaning given to such term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time.

"**Kohlberg Stockholders**" means Kohlberg Investors VI, L.P. and Affiliates.

"**Officer**" means an officer of the Corporation.

"**Option**" means a non-assignable, non-transferable (other than as contemplated in Section 3.6 of this Plan) right to purchase Common Shares under this Plan.

"**Option Agreement**" means a signed, written agreement between an Optionee and the Corporation evidencing the terms and conditions on which an Option has been granted substantially in the form attached hereto at Schedule A.

"**Optionee**" means a Participant who has been granted one or more Options.

"**Original Optionee**" has the meaning set forth in Section 3.6 of this Plan.

"**Participant**" means a Director, an Officer, a director or an officer of any Subsidiary, or a current or past full-time or part-time employee or consultant of the Corporation or any Subsidiary and includes Registered Retirement Savings Plans or Registered Retirement Income Funds of which any such director, officer or individual employee or consultant is the annuitant, any corporation of which any such director, officer or individual employee or consultant is the sole shareholder and any family trust which such director, officer or individual employee or consultant is a trustee or beneficiary.

"**Performance Vesting Condition**" means any condition established by the Board, from time to time, which may include conditions based on the Participant's personal performance and the financial performance of the Corporation, and that is to be used to determine the vesting of the Options.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"**Plan**" means this Second Amended and Restated 2011 Stock Option Plan as it may be further amended or amended and restated from time to time.

"**Proportionate Voting Shares**" means the proportionate voting shares of the Corporation.

"**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to one or more Directors, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the Corporation or any Subsidiary, Insiders or service providers or consultants of the Corporation or any Subsidiary

including a share purchase from treasury by one or more Directors, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the Corporation or any Subsidiary, Insiders or service providers or consultants of the Corporation or any Subsidiary which is financially assisted by the Corporation or any Subsidiary by way of a loan, guarantee or otherwise.

"**Subsidiary**" has the meaning set forth in Section 1.1 of this Plan.

"**Successor Corporation**" means, for purposes of Section 5.3, the issuer of the shares or other securities into which the Common Shares are reclassified or reorganized, or otherwise changed into or exchanged for, or the Person resulting or continuing from a consolidation, merger or amalgamation as contemplated in Section 5.3.

"**Termination Date**" means in the case of an Optionee whose employment or term of office with the Corporation or any Subsidiary terminates in the circumstances set out in Subsection 4.8(a) or 4.8(b), the date that is designated by the Corporation or any Subsidiary, as the last day of the Optionee's employment or term of office with the Corporation or such Subsidiary, provided that in the case of termination of employment or term of office by voluntary resignation by the Optionee, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not mean the date on which any period of reasonable notice that the Corporation or any Subsidiary may be required at law to provide to the Optionee would expire.

"**Time Vesting Condition**" has the meaning set forth in Section 4.4 of this Plan.

"**Trading Day**" means any day on which the TSX is opened for trading.

"**TSX**" means the Toronto Stock Exchange.

2.2 Interpretation

(a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee, as the case may be.

(b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) The words "including" and "includes" mean "including (or includes) without limitation".

(e) Unless otherwise specified, all references to money amounts are to Canadian currency.

(f) In the case of an individual who was granted Options and who has transferred such Options to the Registered Retirement Savings Plan or the Registered Retirement Income Fund of which he is the annuitant, or to a corporation of which he is the sole shareholder, or to a family trust of which he is the trustee or beneficiary, such individual shall be the Participant or the Optionee for the purposes of the definitions "Disabled", "Disability" and "Termination Date" and also for the purpose of the death of the Participant or Optionee.

ARTICLE 3
ADMINISTRATION

3.1 Administration

Subject to Section 3.2, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

(a) determine the individuals (from among the Participants) to whom Options may be granted;

(b) grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:

(i) the time or times at which Options may be granted;

(ii) the Exercise Price;

(iii) the time or times when each Option vests and becomes exercisable and, subject to Section 4.3, the duration of the Exercise Period;

(iv) whether any Option is subject to any Performance Vesting Condition;

(v) whether restrictions or limitations are to be imposed on the Options and the nature of such restrictions or limitations (including the conditions of exercise set forth in Article 4); and

(vi) any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Board may determine;

(c) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and

(d) make all other determinations, settle all controversies and disputes that may arise under this Plan and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions under this Plan are conclusive and binding on the Corporation and all other Persons. The day-to-day administration of this Plan may be delegated to such officers and employees of the Corporation as the Board determines.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan or any Options

granted hereunder, nor shall any member of the Board be liable for any action or determination taken or made in good faith by the Committee or a member thereof.

3.3 Eligibility

All Participants are eligible to participate in this Plan, subject to Section 4.8. Eligibility to participate does not confer upon any Participant any right to be granted Options pursuant to this Plan. The extent to which any Participant is entitled to be granted Options pursuant to this Plan will be determined in the sole and absolute discretion of the Board.

3.4 Total Common Shares Subject to Options

(a) The maximum number of Common Shares reserved for issuance under this Plan, together with all other Share Compensation Arrangements other than the Bauer Performance Sports Ltd. Rollover Stock Option Plan, at any time shall be no greater than 12% of the total issued and outstanding Common Shares of the Corporation outstanding from time to time (assuming the conversion of all Proportionate Voting Shares to Common Shares). If any Option granted under this Plan is exercised, terminates, expires or is cancelled, new Options may thereafter be granted covering such Common Shares, subject to any required prior approval by any applicable stock exchange. At all times, the Corporation will reserve and keep available a sufficient number of Common Shares to satisfy the requirements of all outstanding Options granted under this Plan.

(b) No Option may be granted if such grant would have the effect of causing the total number of Common Shares subject to Options to exceed the total number of Common Shares reserved for issuance pursuant to the exercise of Options and set forth in Subsection 3.4(a).

3.5 Option Agreements

All grants of Options under Section 4.1 of this Plan will be evidenced by Option Agreements. Such Option Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan, applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed and any other provisions that the Board may, in its discretion, determine. Any one Director or Officer is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Option Agreement to each Optionee.

3.6 Non-transferability

Subject to Section 4.8 and except as specifically provided in an Option Agreement approved by the Board, Options granted under this Plan may only be exercised during the lifetime of the Optionee by such Optionee personally. No sale, assignment, encumbrance or other transfer of Options, whether voluntary, involuntary, by operation of law or otherwise (other than upon the death of the Optionee), vests any interest or right in such Options whatsoever in any assignee or transferee (except that an Optionee may transfer Options to Registered Retirement Savings Plans or Registered Retirement Income Funds of which he is the annuitant, to a corporation in respect of which the Optionee is the sole shareholder or to a family trust for *bona fide* estate planning purposes, in each case, with the prior written approval of the Corporation) and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect. If any Optionee (the "**Original Optionee**") has transferred Options to a Registered Retirement Savings Plan or a Registered Retirement Income Fund or a corporation or a family trust pursuant to this Section 3.6, such Options will terminate and be of no further force or effect if at any time the Original

Optionee should cease to be the annuitant of such Registered Retirement Savings Plans or Registered Retirement Income Funds or cease to own all of the issued shares of such corporation or cease to be a trustee or a beneficiary of the family trust, as the case may be, other than by reason of death, in which case the provisions of Section 4.8 shall apply, mutatis mutandis.

ARTICLE 4
GRANT OF OPTIONS

4.1 Grant of Options

The Board may, from time to time by resolution, subject to the provisions of this Plan (including Appendix 1 hereto which is applicable to Participants whose compensation is subject to Section 409A of the United States Internal Revenue Code of 1986, as amended, notwithstanding the other provisions of this Plan) and such other terms and conditions as the Board may prescribe, grant Options to any individual from among the Participants.

4.2 Exercise Price

The Exercise Price for Common Shares that are the subject of any Option shall be fixed by the Board or the Committee, as the case may be, when such Option is granted, but shall not be less than the Fair Market Value of such Common Shares at the time of the grant.

4.3 Expiration of Options

Subject to any accelerated termination as set forth in this Plan (including, without limitation, as provided in Sections 4.8 and 4.9), each Option expires on the 10th anniversary of the Date of Grant. Unless otherwise determined by the Board or the Committee, all unexercised Options shall be cancelled at the expiry of such Options.

Should the expiration date for an Option fall within a Black-Out Period or within nine Trading Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Trading Day after the end of the Black-Out Period, such tenth Trading Day to be considered the expiration date for such Option for all purposes under this Plan. Notwithstanding Article 6 hereof, the ten Trading Day period referred to in this Section 4.3 may not be extended by the Board.

4.4 Vesting

Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, Options will vest over a four-year period, as to twenty-five percent (25%) of the Options on each anniversary of the Date of Grant, commencing on the first anniversary of the Date of Grant (the "**Time Vesting Condition**"). The Options may also be subject to Performance Vesting Conditions. Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, an Option will be capable of exercise on vesting.

4.5 Conditions of Exercise and Exercise Period

An Option remains exercisable until expiration or termination of the Option in accordance with the Plan, unless otherwise specified by the Board in the Option Agreement. Each Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to

which it is then exercisable. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period. Subject to the provisions of this Plan and any Option Agreement, Options shall be exercised by the Participant delivering to the Corporation a fully completed Exercise Notice together with a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased plus an amount sufficient to cover the withholding taxes payable on the exercise of such Options.

4.6 Payment of Exercise Price

No Common Shares will be issued or transferred until full payment for the Common Shares to be purchased and an amount sufficient to cover any withholding taxes payable on the exercise of such Options (to the extent required to be withheld by the Corporation) has been received by the Corporation. As soon as practicable after receipt of any Exercise Notice, along with such full payment, the Corporation will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Optionee a certificate or certificates in the name of the Optionee or a statement of account, at the discretion of the Optionee, representing in the aggregate the purchased Common Shares.

4.7 Use of an Administrative Agent and Trustee

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under this Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under this Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Options granted to each Optionee under this Plan as well as records showing any assignments or transfers of Options by an Optionee as permitted under Section 3.6. The administrative agent shall be permitted to arrange a broker assisted "cashless exercise", including a "short sale" for such number of Common Shares to be sold as is necessary to raise an amount equal to the amount specified in Section 4.6, and to cause the proceeds from the sale of such Common Shares to be delivered to the Corporation along with the Exercise Notice, promptly following which the Corporation shall issue the Common Shares underlying the number of Options exercised to the account designated by the administrative agent, acting on the instructions of the Participant.

4.8 Termination of Service

(a) All Options held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service with the Company or any of its Subsidiaries for any reason other than as set forth in Section 4.8(b).

(b) In the case of a termination of the Participant's service by reason of (A) termination by the Company or any of its Subsidiaries other than for Cause, (B) the Participant's death, or (C) voluntary resignation or for ceasing to be a Director or a director of a Subsidiary, only the Participant's unvested Options shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the Person or Persons to whom the Participant's Share Options are transferred by will or the applicable laws of descent and distribution) will be eligible to exercise his vested Options and upon the 90th day following such termination of service (or, if earlier, the Termination Date) any Options that have not been exercised shall automatically terminate.

(c) For greater certainty, where an Optionee's employment or term of office terminates by reason of termination by the Corporation or any Subsidiary for Cause then any Options held by the

Optionee, whether or not vested at the Termination Date, immediately expire and are cancelled on the Termination Date or at a time as may be determined by the Board, in its sole discretion.

(d) An Optionee's eligibility to receive further grants of Options under this Plan ceases as of the date that the Corporation or any Subsidiary provides the Optionee with written notification that the Optionee's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.

(e) For the purposes of the Plan, an Optionee shall not be deemed to have terminated service where: (i) the Optionee remains in employment or office within or among the Corporation or any Subsidiary or (ii) the Optionee is on a leave of absence approved by the Board.

4.9 Discretion to Permit Exercise

Notwithstanding the provisions of Sections 4.3, 4,4, 4.5, 4.8 and 4.9 the Board may, in its discretion, at any time prior to or following the events contemplated in such Sections and in any Option Agreement, permit the exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Board, provided that, subject to an extension pursuant to Section 4.3 resulting from a Black-Out Period, the Board will not, in any case, authorize the exercise of an Option pursuant to this Section beyond the 10-year expiration of the Exercise Period of the particular Option.

4.10 Change of Control

Except as otherwise set forth in any Option Agreement, in the event of any Change of Control transaction, the Board may provide for substitute or replacement options of similar value from, or the assumption of outstanding Options by, the acquiring or surviving entity, any such substitution, replacement or assumption to be on such terms as the Board in good faith determines; provided, however, that in the event of a Change of Control transaction the Board may take, as to any outstanding Option, any one or more of the following actions:

(a) provide that any or all Options shall thereupon terminate; provided that any such outstanding Options that have vested shall remain exercisable until consummation of such Change of Control; and

(b) terminate any Option where the Exercise Price of such Option is equal to or greater than the fair market value of a Common Share, as determined in the sole discretion of the Board.

4.11 Conditions of Exercise

Each Optionee will, when requested by the Corporation, sign and deliver all such documents relating to the granting or exercise of Options which the Corporation deems necessary or desirable.

ARTICLE 5
SHARE CAPITAL ADJUSTMENTS

5.1 General

The existence of any Option does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the

Corporation's capital structure or its business, or any amalgamation, combination, plan of arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Proportionate Voting Shares, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section would have an adverse effect on this Plan or any Option granted hereunder.

5.2 Reorganization of the Corporation's Capital

(a) In the event of any subdivision of the Common Shares into a greater number of Common Shares at any time after the grant of an Option to a Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation will deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such subdivision if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

(b) In the event of any consolidation of Common Shares into a lesser number of Common Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such consolidation if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

5.3 Other Events Affecting the Corporation

If, at any time prior to the expiration of the Exercise Period of such Option, the Common Shares shall be reclassified, reorganised or otherwise changed into or exchanged for a different number or class of shares or other securities of the Corporation or of a Successor Corporation (otherwise than as specified in Section 5.1 and Section 5.2 hereof), or the Corporation shall consolidate, merge or amalgamate with or into another Person, the Optionee will, subject to the provisions of Article 6 hereof, be entitled to receive at the time of any subsequent exercise of such Option in accordance with the terms hereof and will accept in lieu of the number of Common Shares then subscribed for an aggregate consideration payable therefor, adjusted, if necessary, to preserve proportionately the rights and obligations of the Optionee, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or exchange of shares or, subject to the provisions of Article 6 hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change or exchange of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Optionee had been the registered holder of the number of Common Shares to which such Optionee was immediately theretofore entitled upon such exercise.

5.4 Distribution to Securityholders

If, at any time prior to the expiration of the Expiration Period of such Option, the Corporation makes a distribution to all holders of Common Shares of shares or other securities, cash, evidences of indebtedness or other assets in the capital of the Corporation (excluding a regular ordinary course dividend in cash or Common Shares, but including common shares or equity interests in a subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the Exercise Price, or the number of Common Shares to which the Optionee is entitled upon exercise of Options, or any combination thereof, will be adjusted to take into account such distribution, transaction or change. Subject to the TSX approval, the Board will determine the appropriate adjustments to be made in such circumstances in order to maintain the Optionee's economic rights in respect of their Options in connection with such distribution, transaction or change.

5.5 Immediate Exercise of Options

Where the Board determines that the steps provided in Sections 5.1 and 5.2 would not preserve proportionately the rights and obligations of the Optionees in the circumstances or otherwise determines that it is appropriate, the Board may permit the immediate exercise of any outstanding Options that are not otherwise exercisable.

5.6 Issue by Corporation of Additional Common Shares or Proportionate Voting Shares

Except as expressly provided in this Article 5, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (i) the number of Common Shares that may be acquired on the exercise of any outstanding Options, or (ii) the Exercise Price of any outstanding Options.

5.7 Fractions

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment pursuant to this Article 5, an Optionee would become entitled to a fractional Common Share, the Optionee has the right to acquire only the adjusted number of whole Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

5.8 Conditions of Exercise

The Plan and each Option are subject to the requirement that if at any time the Board determines that the listing, registration or qualification of the Common Shares subject to such Option upon any stock exchange or under any provincial, state or federal law, or the consent or approval of any governmental body or stock exchange or of the holders of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, cooperate with the Corporation in relation to such listing, registration, qualification, consent or other approval and shall have no claim or cause of action against the Corporation or any of its directors or officers as a result of any failure by the Corporation to obtain or to take any steps to obtain any such registration, qualification or approval.

ARTICLE 6
AMENDMENT OR DISCONTINUANCE OF THE PLAN

Subject to compliance with the applicable rules of the TSX, the Board may from time to time amend, suspend or terminate this Plan, or the terms of any previously granted Option, without obtaining the approval of shareholders of the Corporation, provided that no such amendment to the terms of any previously granted Option may, except as expressly provided in the Plan, or with the written consent of the Optionee, adversely alter or impair the terms or conditions of such Option previously granted to such Optionee under this Plan.

Any amendment to this Plan, or to the terms of any Option previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange, including receipt of any required approval from such governmental entity or stock exchange.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines or other rules adopted by the Board and in force at the time of such termination shall continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. Notwithstanding such termination of the Plan, the Board may make any amendments to the Plan or to the terms of any outstanding Options that it would be entitled to make if the Plan were still in effect.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Legal Requirement

This Plan, and the Options granted under this Plan, shall at all times be subject to the ongoing requirements of applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed.

The Corporation is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency.

7.2 Conformity to Plan

In the event that an Option is granted or an Option Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Options on terms different from those set out in this Plan, the Option, or the grant of such Option shall not be in any way void or invalidated, but the Option so granted will be adjusted to become, in all respects, in conformity with this Plan.

7.3 Optionee's Entitlement

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then vested or exercisable, are not affected by any change in the ownership of the Corporation.

7.4 Expenses

All fees and expenses incurred by the Corporation in connection with this Plan shall be borne by the Corporation. All expenses incurred by a Participant in connection with a grant or exercise of Options,

including all fees and expenses of financial or legal advisors retained by such Participant in connection therewith, shall be borne by the Participant.

7.5 Withholding Taxes

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Common Shares, or such other manner as the Board may specify, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date as of which any amount with respect to the Option must be withheld by the Corporation.

7.6 Rights of Participant/Optionee

No Participant has any claim or right to be granted an Option (including an Option granted in substitution for any Option that has expired pursuant to the terms and conditions of this Plan), and the granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Corporation or any Subsidiary. No Optionee has any rights as a shareholder of the Corporation in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option (including the payment of dividends or other distributions) until the allotment and issuance to the Optionee of a certificate or certificates in the name of the Optionee or a statement of account, at the discretion of the Optionee, representing such Common Shares. The loss of existing or potential profit in Options granted under this Plan will not constitute an element of damages in the event of termination of an Optionee's employment or service in any office or otherwise.

7.7 Indemnification

Every Director or member of the Committee will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Director or member of the Committee may sustain or incur by reason of any action, suit or proceeding, taken or threatened against such Director or member of the Committee, otherwise than by the Corporation, for or in respect of any act done or omitted by such Director or member of the Committee in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein. This shall be in addition to any indemnification agreement between the Corporation and the Directors.

7.8 Participation in this Plan

The participation of any Participant in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in this Plan. In particular, participation in this Plan does not constitute a condition of employment nor a commitment on the part of the Corporation or any Subsidiary to ensure the continued employment of such Participant or Optionee. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. Neither the Corporation nor any Subsidiary assumes any responsibility for the income or other tax consequences resulting to the Optionees and they are advised to consult with their own tax advisors.

7.9 Effective Date

This Plan was initially adopted by the Board on March 10, 2011 and amended on May 25, 2012 and further amended on April 9, 2013. Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Common Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

7.10 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

APPENDIX 1

US TAXPAYER EMPLOYEES

The terms of the Plan are hereby modified with respect to those Participants who are subject to income taxation under the laws of the U.S.:

SPECIAL APPENDIX
to the
Bauer Performance Sports Ltd.
Second Amended and Restated 2011 Stock Option Plan

Special Provisions Applicable to Participants Subject to
Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the Bauer Performance Sports Ltd. Second Amended and Restated 2011 Stock Option Plan (the "Plan") that apply to Participants whose compensation is subject to section 409A of the United States Internal Revenue Code of 1986, as amended. Terms defined in the Plan and used herein and in any Option Agreement applicable to any Option issued under the Plan shall have the meanings set forth in the Plan document, as amended from time to time.

1. Definitions.

For purposes of this Appendix:

(a) "Code" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

(b) "Section 409A" means section 409A of the Code.

(c) "Separation From Service" shall have the meaning as set forth in United States Treasury Regulation Section 1.409A 1(h).

(d) "US Taxpayer" means a Participant whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.

2. Non-qualified stock options; Exemption from Section 409A.

Options granted to US Taxpayers are not intended to satisfy the requirements of Code Section 422 as "incentive stock options". Notwithstanding any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate of the Corporation shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

3. Exercise Price.

Notwithstanding any other provision of the Plan, so long as at the time of the grant of an Option the Common Shares are "readily tradable" as determined under United States Treasury Regulation Section 1.409A-1(b)(5)(vi)(G), the Exercise Price shall be the closing sale price of the Common Shares reported on the primary securities exchange on which the Common Shares are listed on the last business day on which such exchange is open for trading prior to the date of grant of such Option, and if at the time of grant the Common Shares are not "readily tradable" as determined under United States Treasury Regulation Section 1.409A-1(b)(5)(vi)(G), the Exercise Price shall be determined by the reasonable application of a reasonable valuation method in accordance with Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).

4. Expiry of Option/Trading Blackouts.

Notwithstanding any other provision of the Plan and any provisions of the Option Agreement to the contrary, Options granted to US Taxpayers may not be exercised under any circumstance following the 10th anniversary of the Date of Grant.

5. Use of Trust

Notwithstanding Section 4.7 of the Plan, no trust shall be established or funded with respect to Options granted to US Taxpayers if such trust would cause such Options to be treated as other than a stock right described in Treasury Regulation Section 1.409A-1(b)(5)(i)(A) or (B).

6. Adjustments to Options.

Notwithstanding Article IV and Article V of the Plan or any provision of the Option Agreement to the contrary, in connection with any adjustment to the Options, the number of Common Shares deliverable on the exercise of an Option held by a US Taxpayer and the Exercise Price of an Option held by a US Taxpayer shall be adjusted in a manner intended to keep the Options exempt from Section 409A.

7. Amendment of Appendix

The Board shall retain the power and authority to amend or modify this Appendix to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

8. Non-transferability of Awards.

Notwithstanding Section 3.6 or 4.8 or any other provision of the Plan, except as otherwise set forth in the applicable Option Agreement, no Option or any interest or participation therein may be transferred (other than by will or by the laws of descent and distribution) if such transfer would be treated as a "modification" of such Option for purposes of the Code.

SCHEDULE A

NOTICE OF GRANT OF STOCK OPTIONS

[Name & Address] [Date]

Dear **[Name]**:

This is to advise you that you have been selected to participate in the Bauer Performance Sports Ltd. Second Amended and Restated 2011 Stock Option Plan (the **"Plan"**).

Effective _____, you will be granted _____ Options to acquire Common Shares at a price of Cdn.$_____ per Common Share.

Your Options will vest as to one-quarter of the total number of Options granted to you, or _____, on each of the first four anniversaries following the Date of Grant.

Your Options are subject to the provisions of the Plan, a copy of which is enclosed. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan. In the event of any discrepancy or conflict between this Notice of Grant and the Plan text, as amended from time to time in accordance with the terms thereof, the Plan text shall govern.

Subject to earlier termination in accordance with the Plan, the Expiry Date of your Options is the 10th anniversary of the Date of Grant.

You should carefully review the terms and conditions of the Plan and seek advice from your legal and other advisors, prior to exercising your Options.

The Option grant described above is strictly confidential and the information concerning the number or price of Common Shares granted under this Option Agreement should not be disclosed to anyone.

If you have any questions about the Plan or your Options, please contact ●.

Please sign and return a copy of this Notice of Grant.

Yours sincerely,

* * * * *

I acknowledge receipt of this Notice of Grant, a copy of the Plan (including all the schedules to the Plan), and agree to be bound by the terms thereof. By accepting this grant, I represent and warrant to the Corporation that my participation in the Plan is voluntary and has not been

induced by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

DATED this _____ day of _____, 20__.

_____

Name (please print)

_____

Signature

SCHEDULE B

Stock Option Plan Exercise Notice Form

I, _____, hereby exercise the option
(print name)
to purchase _____ Common Shares of Bauer Performance Sports Ltd. (the "**Corporation**") at a purchase price of Cdn.$_____ per Common Share of the Corporation. This Exercise Notice is delivered in respect of the option to purchase _____ Common Shares of the Corporation that was granted to me on _____ pursuant to the Option Agreement entered into between the Corporation and me.

In connection with the foregoing, I either (check one):

( ) (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of $_____ as full payment for the Common Shares to be received upon exercise of the Option and the applicable withholding taxes; or

( ) (ii) requests that the board of directors of the Corporation (the "**Board**") authorizes the exercise of the Option in another manner and on such other terms in accordance with the Board's discretion under the Plan.

Date

Optionee's Signature

_____

(Print name) _____

Exhibit 10.6

PERFORMANCE SPORTS GROUP LTD.

AMENDED AND RESTATED DIRECTORS' DEFERRED SHARE UNIT PLAN

October 14, 2014

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Section 1. General Provisions

1.1 Purpose

The purpose of the Performance Sports Group Ltd. Amended and Restated Directors' Deferred Share Unit Plan is to promote a greater alignment of interests between Eligible Directors (defined below) of the Company and the shareholders of the Company.

1.2 Definitions

As used in the Plan, the following terms have the following meanings:

(a) "**Board**" means the Board of Directors of the Company;

(b) "**Business Day**" means any day, other than a Saturday or a Sunday, on which the Toronto Stock Exchange or New York Stock Exchange, as applicable, is open for trading;

(c) "**Code**" means the United States Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder.

(d) "**Committee**" means the Compensation Committee of the Board, as the same may be renamed or constituted from time to time;

(e) "**Common Share**" means a common share in the capital of the Company;

(f) "**Company**" means Performance Sports Group Ltd.;

(g) "**Conversion Date**" means, with respect to any Fiscal Year quarter, the date used to determine the Market Price of a Common Share for the purposes of determining the number of Deferred Share Units to be credited in respect of that Fiscal Year quarter to an Eligible Director's account; which shall be the date approved by the Committee which shall be, unless otherwise determined by the Committee, the first Business Day of the Fiscal Year quarter in respect of which the Deferred Share Unit is credited, but which shall not be earlier than the first Business Day or later than the last Business Day of the Fiscal Year quarter in respect of which the election is made;

(h) "**Deferred Share Unit**" means a right granted by the Company to an Eligible Director to receive upon redemption, on a deferred basis, a Common Share or the cash equivalent thereof on the terms contained herein;

(i) "**Director's Remuneration**" means all cash director fees (i.e, retainers, meeting fees) and other cash compensation payable for services as an independent contractor by the Company in respect of the services provided to the Company by the Eligible Director in any Fiscal Year;

(j) "**Effective Date**" has the meaning set out in section 3.12;

(k) "**Eligible Director**" means each director of the Company who is not an employee of the Company (or any subsidiary of the Company) or an employee of a shareholder who is an insider of the Company (as that term has meaning in the Toronto Stock Exchange Company Manual);

(l) "**Filing Date**" has the meaning set out in section 2.2(a);

(m) "**Fiscal Year**" means the fiscal year of the Company, which as of the Effective Date is the annual period commencing June 1 and ending the following May 31.

(n) "**Market Price**" means the volume weighted average trading price of Common Shares on the New York Stock Exchange (or, if such shares are not then listed and posted for trading on the New York Stock Exchange, on such other stock exchange in Canada or in the United States on which Common Shares are listed and posted for trading as may be selected for such purpose by the Committee) for the five Business Days on which Common Shares traded on such exchange preceding the applicable date; provided that, (i) the "Market Price" cannot be less than the U.S. dollar equivalent, if applicable, of the volume weighted average trading price of Common Shares on the primary exchange (based on the greatest trading volume for the Fiscal Year quarter immediately preceding the Conversion Date) for each of the five Business Days, as applicable, on which Common Shares traded on such exchange preceding the applicable date (using the noon rate of exchange as published by the Bank of Canada on each of the five Business Days); and (ii) in the event that Common Shares are not listed and posted for trading on any stock exchange, at the applicable date, the Market Price in respect thereof shall be the fair market value of a Common Share as determined by the Committee in its sole discretion;

(o) "**Participant**" means an Eligible Director who has made an election to receive Deferred Share Units;

(p) "**Plan**" means the Performance Sports Group Ltd. Directors' Deferred Share Unit Plan, as amended from time to time;

(q) "**Proportionate Voting Share**" means a proportionate voting share in the capital of the Company; and

(r) "**US Participant**" means each Participant who is a United States citizen or resident or whose compensation under the Plan is subject to income taxation under the Code.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

1.3 Administration

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee's mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Director. The Board may establish policies respecting minimum ownership of Common Shares of the Company by Eligible Directors and the ability to elect Deferred Share Units to satisfy any such policy.

1.4 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.5 Common Shares Reserved for Issuance

The Company hereby reserves 100,000 Common Shares for issuance under this Plan, provided that Common Shares reserved for issuance pursuant to Deferred Share Units which are cancelled, terminated or settled without having been redeemed for Common Shares issued from treasury will again be available for issuance under this Plan.

Section 2. Election Under the Plan

2.1 Payment and Deferral of Director's Remuneration

Subject to such rules, approvals and conditions as the Committee may impose and subject to Annex 1 in respect of US Participants, an Eligible Director may elect to receive the Director's Remuneration, in whole or in part, in the form of Deferred Share Units.

(s) *Method of Electing for Director's Remuneration.* Unless otherwise permitted by the Committee, to elect to receive Deferred Share Units, the Eligible Director shall complete and deliver to the Chief Financial Officer of the Company, or other officer of the Company designated by the Committee, a written irrevocable election by no later than the last day of the Fiscal Year preceding the Fiscal Year respecting which the Director's Remuneration becomes payable. The Eligible Director's written election shall, subject to any minimum amount that may be required by the Committee, designate the portion or percentage of the Director's Remuneration for the applicable Fiscal Year that is to be deferred into Deferred Share Units, with the remaining portion or percentage to be paid in cash in accordance with the Company's regular practices of paying such cash compensation. In the absence of a designation to the contrary, the Eligible Director's election for the most recently ended Fiscal Year with respect to the portion or percentage of the Director's Remuneration that is to be deferred into Deferred Share Units shall continue to apply to all subsequent Director's Remuneration payments until the Eligible Director submits another written election in accordance with this paragraph. An Eligible Director shall only file one election in respect of the Director's Remuneration payable in any Fiscal Year and the election shall be irrevocable for that Fiscal Year. If no election is made, and no prior election remains effective, with respect to any Fiscal Year, the Eligible Director shall be deemed to have elected to defer any minimum amount that may be required by the Committee into Deferred Share Units and to receive the balance of the Director's Remuneration for the applicable Fiscal Year quarter in cash.

(t) *Payment of Director's Remuneration.* The portion or percentage of the Director's Remuneration credited as Deferred Share Units, as elected by the Participant, shall be determined on the first Business Day following the last day of each Fiscal Year quarter for which the Director's Remuneration is payable.

(u) *Deferred Share Units.* Deferred Share Units elected by a Participant pursuant to the Plan shall be credited to an account maintained for the Participant by the Company. The number of Deferred Share Units (including fractional Deferred Share Units) to be credited on the date prescribed by paragraph 2.1(b) shall be determined by dividing the

amount of the Director's Remuneration to be deferred into Deferred Share Units on such date by the Market Price per Common Share on the Conversion Date.

(v) *Dividends.* When dividends are paid on Common Shares, a Participant shall be credited with dividend equivalents in respect of the Deferred Share Units credited to the Participant's account as of the record date for payment of dividends. Such dividend equivalents shall be converted into additional Deferred Share Units (including fractional Deferred Share Units) based on the Market Price per Common Share on the date credited.

2.2 Termination of Service

(a) *Termination of Service*. Subject to Annex I in respect of US Participants, a Participant who has retired from all positions as a director of the Company, or who, except as a result of death, has otherwise ceased for any reason to hold any such positions with the Company, may redeem the Deferred Share Units credited to the Participant's account by filing with the Chief Financial Officer of the Company, or other officer of the Company designated by the Committee, one or more notices of redemption of Deferred Share Units in the prescribed form on or before December 15 of the first calendar year commencing after the date the Participant retires from or otherwise ceases to hold such positions (other than as a result of the Participant's death). If the Participant fails to file a notice of redemption of the Deferred Share Units on or before such December 15, the Participant shall be deemed to have filed with the Chief Financial Officer of the Company a notice of redemption on such December 15 to redeem all Deferred Share Units credited to such Participant's account. Each date on which a notice of redemption is filed or deemed to be filed with the Chief Financial Officer of the Company, or other officer of the Company designated by the Committee, is the "**Filing Date**". Each notice of redemption filed by the Participant shall specify the number of Deferred Share Units to be redeemed and if such number is not so specified, it shall be deemed to be all the Deferred Share Units credited to the Participant's account.

(b) *Death of Eligible Director*. In the event of the death of a Participant while serving as a director of the Company, the Company shall redeem all Deferred Share Units credited to the Participant's Account (without any action on the part of the deceased Participant's estate).

(c) Subject to Annex I in respect of US Participants, within the earlier of 5 Business Days following the Filing Date or 90 days following the Participant's death, as applicable, the Company shall redeem, subject to Section 3.8, the Deferred Share Units (including fractional Deferred Share Units) required to be redeemed pursuant to section 2.2(a) or 2.2(b) by, in the discretion of the Company;

(i) issuing from treasury or by market purchase one Common Share for each full Deferred Share Unit to be redeemed and making a lump sum cash payment (net of any applicable withholdings) in respect of any partial Deferred Share Unit to be redeemed, determined in the same manner as set out in section 2.2(c)(ii),

(ii) making a lump sum payment (net of any applicable withholdings) in respect of all full and partial Deferred Share Units to be redeemed, equal to the number of Deferred Share Units (including fractional Deferred Share Units) to be

redeemed on such Filing Date or date of death, as applicable, multiplied by the Market Price per Common Share determined as at such applicable date, or

(iii) a combination of (i) and (ii).

Section 1. General

1.6 Capital Adjustments

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of shares or other securities on which the Deferred Share Units are based; and (ii) the number of Deferred Share Units credited to any Eligible Director's account and the number of Common Shares reserved for issuance hereunder.

1.7 Non-Exclusivity

Nothing contained herein will prevent the Board from adopting other additional compensation arrangements for the benefit of Eligible Directors, subject to any required regulatory or shareholder approval.

1.8 Unfunded Plan

Deferred Share Units shall be credited to an unfunded bookkeeping account established and maintained by the Company in the name of each Participant. Notwithstanding any other provision of the Plan to the contrary, a Deferred Share Unit shall not be considered or construed as an actual investment in Common Shares. To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Company.

1.9 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and each Eligible Director, including without limitation, the legal representatives of each Eligible Director, or any receiver or trustee in bankruptcy or representative of the Company or an Eligible Director.

1.10 Transferability of Deferred Share Units

Rights respecting Deferred Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

1.11 Amendment and Termination

(a) The Board may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable rules, regulations and policies of the Toronto Stock Exchange and the New York Stock Exchange, as applicable, if any, that require the approval of shareholders.

(b) No amendment, suspension or termination may materially adversely affect any Deferred Share Units, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant.

(c) Notwithstanding the foregoing, any amendment of the Plan shall ensure that the Plan is continuously excluded from the salary deferral arrangements rules under the *Income Tax Act* (Canada) or any successor rules.

(d) If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of this Plan, will continue in effect as long as a Deferred Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Deferred Share Units it would be entitled to make if the Plan were still in effect.

(e) With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Deferred Share Unit in any manner to the extent that the Committee would have had the authority to initially grant the Deferred Share Units so modified or amended.

1.12 Tax Consequences

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian and U.S. tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. The Company shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

1.13 Withholding Taxes

The Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any payment under the Plan including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the redemption of any Deferred Shares Units, until such time as the Participant has paid the Company for any amount which the Company is required to withhold with respect to such taxes.

1.14 US Participants

Compensation payable under the Plan to US Participants is intended to be exempt from taxes and penalties under Section 409A of the Code and the regulations issued thereunder, and the Plan (including Annex I) and all Deferred Share Units shall be construed, interpreted and administered in compliance with such intent. If the Committee determines that any amounts payable hereunder may be taxable to a Participant under Section 409A, the Committee may (i) subject to Section 3.6, adopt such amendments to the Plan and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and/or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A; provided, that neither the Company nor any of its subsidiaries nor any other person or entity shall have any liability to a Participant (or any beneficiary thereof) with respect to any tax imposed by Section 409A. Annex I sets forth special terms of the Plan applicable to US Participants.

1.15 No Liability

The Company shall not be liable to any Participant for any loss resulting from a decline in the market value of any Common Shares.

1.16 No Right to Continued Board Membership

Nothing contained herein shall (i) be construed as conferring upon any Participant the right to continue as a member of the Board, (ii) affect in any way the right of the Company or shareholders to terminate such membership, or (iii) affect in any way the rights of any party contained in any agreement governing a Participant's service as a member of the Board or other agreement governing the Participant's non-employee services to the Company.

1.17 Effective Date

This Plan was initially adopted by the Board on September 18, 2012 (the "**Effective Date**") and amended and restated on October 14, 2014. Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada or the United States to which this Plan has been submitted or by any stock exchange on which the Common Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

ANNEX I TO PERFORMANCE SPORTS GROUP LTD. DIRECTORS' DEFERRED SHARE UNIT PLAN FOR US PARTICIPANTS

The following additional or special terms and conditions shall apply to all Eligible Directors who are US Participants.

In the event that there is any conflict between the terms and conditions of the Plan and the provisions of this Annex I, this Annex I shall govern.

Section 2. Election Under the Plan. With respect to US Participants, notwithstanding any other provision of the Plan to the contrary,

2.1 Payment and Deferral of Director's Remuneration

(e) *Method of Electing for Director's Remuneration.* Each Participant's irrevocable written deferral election with respect to Director Remuneration otherwise payable to him for services rendered in a Fiscal Year must be provided to the Company in the manner set forth in Section 2.1(a) no later than the last day of the Fiscal Year immediately preceding the Fiscal Year with respect to which such deferral election relates; provided, however, that with respect to Director Remuneration related to the first Fiscal Year in which an Eligible Director becomes eligible to participate in the Plan (including the 2013 Fiscal Year), the Eligible Director's completed election form must be received by the Company within 30 days following the date on which such Eligible Director first becomes eligible to participate in the Plan (provided that such election shall relate only to amounts payable for services performed after the date such Election Form is so received).

2.2 Termination of Service

(d) *Redemption of Deferred Share Units.* Each Participant's Deferred Share Units shall be redeemed in full on the earlier to occur of (A) the Participant's separation from service

with the Company for any reason and (B) a Change in Control (such earlier date, the "**Redemption Date**").

(a) Deferred Share Units (including fractional Deferred Share Units) to be redeemed pursuant to section 2.2(d) on the Redemption Date shall be redeemed by, in the discretion of the Company,

(i) issuing to the Participant one Common Share for each full Deferred Share Unit to be redeemed and making a lump sum cash payment (net of any applicable withholdings) determined in the same manner as set out in section 2.2(e)(ii) in respect of any partial Deferred Share Unit to be redeemed;

(ii) making a lump sum payment (net of any applicable withholdings) in respect of all full and partial Deferred Share Units to be redeemed, equal to the number of Deferred Share Units (including fractional Deferred Share Units) to be redeemed on such Payment Designation Date multiplied by the closing market price Common Share on the Toronto Stock Exchange on the trading date immediately preceding the Redemption Date (or, if such shares are not then listed and posted for trading on the Toronto Stock Exchange, on such other stock exchange in Canada on which Common Shares are listed and posted for trading as may be selected for such purpose by the Committee); provided that, in the event that Common Shares are not listed and posted for trading on any stock exchange at the applicable date, the price in respect thereof for purposes of this Section 2.2(e) shall be the fair market value of a Common Share as determined by the Committee in its sole discretion, or

(iii) a combination of (i) and (ii).

(f) "Change in Control" for purposes of this Annex I means a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A(a)(2)(A)(v) of the Code.

(g) "Separation from service" for purposes of this Annex I has the meaning given to such term under Section 409A(a)(2)(A)(i) of the Code and U.S. Treasury regulation section 1.409A-1(h).

(h) *Advanced Redemption.* Notwithstanding anything herein to the contrary, if any portion of a Participant's Deferred Share Units is required to be included in income by the Participant prior to the Redemption Date due to a violation of the requirements of Code Section 409A, the Participant may petition the Committee for the redemption of those portions of his or her Deferred Share Units that are required to be so included in income. As soon as reasonably practicable following the grant of such a petition, which grant shall not be unreasonably withheld, the Company shall redeem a portion of such Participant's Deferred Share Units equal to the amount required to be included in income as a result of the failure of the Plan to meet the requirements of Code Section 409A; provided, however, that in no event may the number of Deferred Share Units redeemed exceed the total number of Deferred Share Units credited to such Participant under the Plan.

(i) ***No Acceleration or Other Change***. Except as provided in Section 2.2(e) of this Annex I, no acceleration or other change as to the time and form of payment in respect of Deferred Share Units shall be permitted following the date on which the Participant's deferral election becomes irrevocable as provided under Section 2.1 of this Annex I except to the extent permitted and in the manner specified under Treasury Regulations promulgated under Section 409A of the Code; provided that if the Participant is a "specified employee" within the meaning of Code Section 409A, payments in respect of his or her Deferred Share Units in connection with such Participant's separation from service shall be subject to any delay required under Code Section 409A(a)(2)(B)(i) and the regulations thereunder.

TO: PERFORMANCE SPORTS GROUP LTD. (the "Company")

RE: IRREVOCABLE ELECTION FOR DEFERRED SHARE UNIT PLAN

Reference is made to the Company's Amended and Restated Directors' Deferred Share Unit Plan dated as of October 14, 2014 (the "**DSU Plan**"). Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the DSU Plan. You must complete the election below and return a signed copy to Amir Rosenthal, Chief Financial Officer, no later than , 2015.

The undersigned hereby irrevocably elects to receive _____% of his/her Directors' Remuneration for the remainder of the Company's current fiscal year (being all director fees (i.e, retainers, meeting fees) and other cash compensation payable for services as an independent contractor by the Company in respect of the services provided to the Company by the undersigned) in the form of Deferred Share Units. For US Participants, the deferral election will be effective only with respect to Director's Remuneration payable in respect of services performed after the date the election form is received by the Company. The Company shall treat this election as an irrevocable election under section 2 of the DSU Plan as required from time to time by the DSU Plan. This election shall continue to apply for all subsequent fiscal years, unless and until changed or revoked in accordance with the provisions of the DSU Plan.

[Remainder of page intentionally left blank. Signature page follows.]

DATED at _____ this ____ day of _____, 2015.

Witness	Name:

Exhibit 10.8

Bauer Performance Sports Ltd.

Second Amended and Restated Rollover Stock Option Plan

April 9, 2013

Bauer Performance Sports Ltd.

Second Amended and Restated Rollover Stock Option Plan

Article 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to advance the interests of Bauer Performance Sports Ltd. (the "**Corporation**") by enhancing the ability of the Corporation and any corporations owned or controlled by the Corporation (each a "**Subsidiary**") to retain those employees, managers and directors who, immediately prior to the Effective Date held options under the KBAU Holdings CI Limited Equity Incentive Plan (the "**KBAU Plan**") through the substitution of Predecessor Options for Options governed by this Plan, to encourage such individuals to take into account the long-term corporate performance of the Corporation and the creation of shareholder value through their participation in the Corporation's share capital by receiving Common Shares.

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein the following terms have the following meanings, respectively:

"**Affiliate**" or "**Affiliated**", with respect to any Person, means any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person other than a natural Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise).

"**Associate**", where used to indicate a relationship with an individual, means (i) any partner of that individual, and (ii) the spouse of that individual and that individual's children, as well as that individual's relatives and that individual's spouse's relatives, if they share that individual's residence.

"**Black-Out Period**" means the period during which designated directors, officers, employees and consultants of the Corporation and, if applicable, any Subsidiary, cannot trade Common Shares pursuant to the Corporation's insider trading policy which is in effect and has not been otherwise waived by the Board at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an Insider, that Insider, is subject).

"**Board**" means the board of directors of the Corporation.

"**Cause**" means, unless otherwise set forth in a Participant's Option Agreement issued pursuant to the KBAU Plan or service agreement, (i) willful misconduct of the Participant with regard to the Corporation and its Affiliates which constitutes a material breach of any of his or her obligations set forth in any written agreement governing the terms of the Participant's service with the Corporation and the Subsidiaries as the same may then be in effect and such breach, if curable, has not been

cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (ii) fraud, embezzlement, theft or other material dishonesty by the Participant with respect to the Corporation or any of its Affiliates; (iii) the Participant's material breach of his or her fiduciary duties as an officer or manager of the Corporation or any of its Affiliates, or as an officer, trustee, director or other fiduciary of any pension or benefit plan of the Corporation or its Affiliates or willful misconduct which has, or could reasonably be expected to have, a material adverse effect upon the business, interests or reputation of the Corporation or any of its Affiliates and such breach or conduct, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (iv) the Participant's indictment for, or a plea of *nolo contendere* to, any felony or an analogous provision under the laws of a local jurisdiction; or (v) refusal or failure by the Participant to attempt in good faith to follow or carry out the reasonable written instructions of the Board which failure, if curable, does not cease within fifteen (15) days after written notice of such failure is given to the Participant by the Board. For purposes of this paragraph, no act, or failure to act, on the Participant's part shall be considered "willful" unless done or omitted to be done by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interests of the Corporation. Notwithstanding the foregoing, to the extent that (x) the Participant is a party to a service agreement with the Corporation or any Subsidiary which includes an alternative definition of Cause or (y) an alternative definition of Cause is provided in the Participant's Option Agreement, "Cause" shall have the meaning assigned thereto in such service agreement or Option Agreement; provided that any alternative definition of Cause in the Option Agreement shall govern and supersede any alternative definition of Cause in such service agreement to the extent of any inconsistencies between such definitions.

"**Change of Control**" means the occurrence of (i) any transaction or series of related transactions, whether or not the Corporation is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Corporation's voting power is owned directly, or indirectly through one or more entities, by any Person and its Affiliates, other than Kohlberg Stockholders and their Affiliates or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation other than in connection with an internal reorganization.

"**Committee**" has the meaning set forth in Section 3.2 of this Plan.

"**Common Shares**" means the common shares of the Corporation.

"**Corporation**" has the meaning set forth in Section 1.1 of this Plan.

"**Date of Grant**" means, for any Option, the date upon which the Predecessor Option was granted.

"**Director**" means a member of the Board.

"**Effective Date**" means March 10, 2011.

"**Exercise Notice**" means a notice in writing, in the form set out in Schedule B, signed by an Optionee and stating the Optionee's intention to exercise a particular Option.

"**Exercise Period**" means the period of time during which an Option granted under this Plan may be exercised, provided, however, that the Exercise Period may not exceed 10 years from the relevant Date of Grant.

"**Exercise Price**" means the price at which a Common Share may be purchased pursuant to the exercise of an Option.

"**Insider**" has the meaning given to such term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time.

"**KBAU Plan**" has the meaning set forth in Section 1.1 of this Plan.

"**Kohlberg Stockholders**" means Kohlberg Investors VI, L.P. and Affiliates.

"**Officer**" means an officer of the Corporation.

"**Option**" means a non-assignable, non-transferable (other than as contemplated in Section 3.6 of this Plan) right to purchase Common Shares under this Plan.

"**Option Agreement**" means a signed, written agreement between an Optionee and the Corporation evidencing the terms and conditions on which an Option has been granted, substantially in the form attached hereto at Schedule "A".

"**Optionee**" means a Participant who has been granted one or more Options.

"**Original Optionee**" has the meaning set forth in Section 3.6 of this Plan.

"**Participant**" means a Person who, immediately prior to the Effective Date, held a Vested Share Option as such term is defined under the KBAU Plan.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"**Plan**" means this Second Amended and Restated Rollover Stock Option Plan as it may be further amended or amended and restated from time to time.

"**Predecessor Option**" means an option granted to a Participant under the KBAU Plan that was outstanding immediately prior to the IPO Effective Time.

"**Proportionate Voting Shares**" means the proportionate voting shares of the Corporation.

"**Subsidiary**" has the meaning set forth in Section 1.1 of this Plan.

"**Successor Corporation**" means, for purposes of Section 5.3, the issuer of the shares or other securities into which the Common Shares are reclassified or reorganized, or otherwise changed into or exchanged for, or the Person resulting or continuing from a consolidation, merger or amalgamation as contemplated in Section 5.3.

"**Termination Date**" means in the case of an Optionee whose employment or term of office with the Corporation or any Subsidiary terminates in the circumstances set out in Subsection 4.9(b) or 4.9(c), the date that is designated by the Corporation or any Subsidiary, as the last day of the Optionee's employment or term of office with the Corporation or such Subsidiary, provided that in the case of termination of employment or term of office by voluntary resignation by the Optionee, such date

shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not mean the date on which any period of reasonable notice that the Corporation or any Subsidiary may be required at law to provide to the Optionee would expire.

"**Trading Day**" means any day on which the TSX is opened for trading.

"**TSX**" means the Toronto Stock Exchange.

2.2 Interpretation

(a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee, as the case may be.

(b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) The words "including" and "includes" mean "including (or includes) without limitation".

(e) Unless otherwise specified, all references to money amounts are to Canadian currency.

(f) In the case of an individual who was granted Options and who has transferred such Options to the Registered Retirement Savings Plan or the Registered Retirement Income Fund of which he is the annuitant, or to a corporation of which he is the sole shareholder, or to a family trust of which he is the trustee or beneficiary, such individual shall be the Participant or the Optionee for the purposes of the definitions "Disabled", "Disability" and "Termination Date" and also for the purpose of the death of the Participant or Optionee.

ARTICLE 3
ADMINISTRATION

3.1 Administration

Subject to Section 3.2, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

(a) interpret this Plan and any Option Agreement and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and

(b) make all other determinations, settle all controversies and disputes that may arise under this Plan and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions under this Plan are conclusive and binding on the Corporation and all other Persons. The day-to-day administration of this Plan may be delegated to such officers and employees of the Corporation as the Board determines.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan or any Options granted hereunder, nor shall any member of the Board be liable for any action or determination taken or made in good faith by the Committee or a member thereof.

3.3 Eligibility

All Participants are eligible to participate in this Plan. The extent to which any Participant is entitled to receive Options governed by this Plan will be determined based on the number of Predecessor Options held by the Participant immediately prior to the Effective Date as determined by the Board in its sole and absolute discretion.

3.4 Total Common Shares Subject to Options

(a) There is a maximum of 5,119,815 Common Shares reserved for issuance under this Plan. At all times, the Corporation will reserve and keep available a sufficient number of Common Shares to satisfy the requirements of all outstanding Options granted under this Plan.

(b) No Option may be granted if such grant would have the effect of causing the total number of Common Shares subject to Options to exceed the total number of Common Shares reserved for issuance pursuant to the exercise of Options and set forth in Subsection 3.4(a).

(c) No Option may be granted under this Plan other than in substitution for Predecessor Options.

3.5 Option Agreements

All grants of Options under Section 4.1 of this Plan will be evidenced by Option Agreements. Such Option Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan, applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed and any other provisions that the Board may, in its discretion, determine. Any one Director or Officer is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Option Agreement to each Optionee.

3.6 Non-transferability

Subject to Section 4.9 and except as specifically provided in an Option Agreement approved by the Board, Options granted under this Plan may only be exercised during the lifetime of the Optionee by such Optionee personally. No sale, assignment, encumbrance or other transfer of Options, whether voluntary, involuntary, by operation of law or otherwise (other than upon the death of the Optionee), vests any interest or right in such Options whatsoever in any assignee or transferee (except that an Optionee may transfer Options to Registered Retirement Savings Plans or Registered Retirement Income Funds of which he is the annuitant, to a corporation in respect of which the Optionee is the sole shareholder or to a family trust for *bona fide*

estate planning purposes, in each case, with the prior written approval of the Corporation) and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect. If any Optionee (the "**Original Optionee**") has transferred Options to a Registered Retirement Savings Plan or a Registered Retirement Income Fund or a corporation or a family trust pursuant to this Section 3.6, such Options will terminate and be of no further force or effect if at any time the Original Optionee should cease to be the annuitant of such Registered Retirement Savings Plans or Registered Retirement Income Funds or cease to own all of the issued shares of such corporation or cease to be a trustee or a beneficiary of the family trust, as the case may be, other than by reason of death, in which case the provisions of Section 4.9 shall apply, mutatis mutandis.

ARTICLE 4
GRANT OF OPTIONS

4.1 Grant of Options

The Board may, from time to time by resolution, subject to the provisions of this Plan (including Appendix 1 hereto which is applicable to Participants whose compensation is subject to Section 409A of the United States Internal Revenue Code of 1986, as amended, notwithstanding the other provisions of this Plan) and such other terms and conditions as the Board may prescribe, grant Options to the Participants. The number of Options granted to a Participant under this Plan shall be set with reference to the Exercise Price such that the total in the money value of all Options granted to a Participant under this Plan shall be equal to the total in the money value of such Participant's Predecessor Options immediately prior to the Effective Date.

4.2 Exercise Price

The Exercise Price for Common Shares that are the subject of any Option shall be fixed by the Board or the Committee, as the case may be, when such Option is granted, and shall be set with reference to the total in the money value of options granted to the Participant under the KBAU Plan.

4.3 Expiration of Options

Subject to any accelerated termination as set forth in this Plan (including, without limitation, as provided in Section 4.9), each Option expires on the 10th anniversary of the Date of Grant. Unless otherwise determined by the Board or the Committee, all unexercised Options shall be cancelled at the expiry of such Options.

Should the expiration date for an Option fall within a Black-Out Period or within nine Trading Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Trading Day after the end of the Black-Out Period, such tenth Trading Day to be considered the expiration date for such Option for all purposes under this Plan. Notwithstanding Article 6 hereof, the ten Trading Day period referred to in this Section 4.3 may not be extended by the Board.

4.4 Grants of Options to U.S. Taxpayers

Notwithstanding any other provision of this Plan, the terms of the Options granted to any Optionee who is a U.S. Taxpayer (including the number of Common Shares subject to the Option and the Exercise Price therefor) shall be determined in accordance with the provisions of Section 409A and the regulations thereunder in a manner intended to keep the Predecessor Options as adjusted and converted into the Options exempt from Section 409A.

4.5 Vesting

All Options awarded under the Plan shall be vested immediately in each Participant. Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, an Option will be capable of exercise on vesting.

4.6 Conditions of Exercise and Exercise Period

An Option remains exercisable until expiration or termination of the Option in accordance with the Plan, unless otherwise specified by the Board in the Option. Each Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to which it is then exercisable. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period. Subject to the provisions of this Plan and any Option Agreement, Options shall be exercised by the Participant delivering to the Corporation a fully completed Exercise Notice together with a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased plus an amount sufficient to cover the withholding taxes payable on the exercise of such Options.

4.7 Payment of Exercise Price

No Common Shares will be issued or transferred until full payment for the Common Shares to be purchased and an amount sufficient to cover any withholding taxes payable on the exercise of such Options (to the extent required to be withheld by the Corporation) has been received by the Corporation. As soon as practicable after receipt of any Exercise Notice, along with such full payment, the Corporation will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Optionee a certificate or certificates in the name of the Optionee or a statement of account, at the discretion of the Optionee, representing in the aggregate the purchased Common Shares.

4.8 Use of an Administrative Agent and Trustee

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under this Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under this Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Options granted to each Optionee under this Plan as well as records showing any assignments or transfers of Options by an Optionee as permitted under Section 3.6. The administrative agent shall be permitted to arrange a broker assisted "cashless exercise", including a "short sale" for such number of Common Shares to be sold as is necessary to raise an amount equal to the amount specified in Section 4.7, and to cause the proceeds from the sale of such Common Shares to be delivered to the Corporation along with the Exercise Notice, promptly following which the Corporation shall issue the Common Shares underlying the number of Options exercised in the account designated by the administrative agent, acting on the instructions of the Participant.

4.9 Termination of Service

(a) All Options held by the Participant shall terminate automatically upon the termination of the Participant's service with the Company or any of its Subsidiaries for any reason other than as set forth in Section 4.9(b).

(b) In the case of a termination of the Participant's service by reason of (A) termination by the Company or any of its Subsidiaries other than for Cause, (B) the Participant's death, or (C)

voluntary resignation or for ceasing to be a Director or a director of a Subsidiary, at any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the Person or Persons to whom the Participant's Share Options are transferred by will or the applicable laws of descent and distribution) will be eligible to exercise his Options and upon the 90th day following such termination of service (or, if earlier, the Termination Date) any Options that have not been exercised shall automatically terminate.

(c) For greater certainty, where an Optionee's employment or term of office terminates by reason of termination by the Corporation or any Subsidiary for Cause, then any Options held by the Optionee immediately expire and are cancelled on the Termination Date.

(d) For the purposes of the Plan, an Optionee shall not be deemed to have terminated service where: (i) the Optionee remains in employment or office within or among the Corporation or any Subsidiary or (ii) the Optionee is on a leave of absence approved by the Board.

4.10 Discretion to Permit Exercise

Notwithstanding any other provisions of this Plan, the Board may, in its discretion, at any time prior to or in connection with the Optionee's termination of service, permit the exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Board, provided that, subject to an extension pursuant to Section 4.3 resulting from a Black-Out Period, the Board will not, in any case, authorize the exercise of an Option pursuant to this Section beyond the 10-year expiration of the Exercise Period of the particular Option.

4.11 Change of Control

Except as otherwise set forth in any Option Agreement, in the event of any Change of Control transaction, the Board may provide for substitute or replacement options of similar value from, or the assumption of outstanding Options by, the acquiring or surviving entity, any such substitution, replacement or assumption to be on such terms as the Board in good faith determines; provided, however, that in the event of a Change of Control transaction the Board may take, as to any outstanding Option, any one or more of the following actions:

(a) provide that any or all Options shall thereupon terminate; provided that any such outstanding Options shall remain exercisable until consummation of such Change of Control; and

(b) terminate any Option where the Exercise Price of such Option is equal to or greater than the fair market value of a Common Share, as determined in the sole discretion of the Board.

4.12 Conditions of Exercise

Each Optionee will, when requested by the Corporation, sign and deliver all such documents relating to the granting or exercise of Options which the Corporation deems necessary or desirable.

ARTICLE 5
SHARE CAPITAL ADJUSTMENTS

5.1 General

The existence of any Option does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, plan of arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Proportionate Voting Shares, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section would have an adverse effect on this Plan or any Option granted hereunder.

5.2 Reorganization of the Corporation's Capital

(a) In the event of any subdivision of the Common Shares into a greater number of Common Shares at any time after the grant of an Option to a Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation will deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such subdivision if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

(b) In the event of any consolidation of Common Shares into a lesser number of Common Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such consolidation if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

5.3 Other Events Affecting the Corporation

If, at any time prior to the expiration of the Exercise Period of such Option, the Common Shares shall be reclassified, reorganised or otherwise changed into or exchanged for a different number or class of shares or other securities of the Corporation or of a Successor Corporation (otherwise than as specified in Section 5.1 and Section 5.2 hereof), or the Corporation shall consolidate, merge or amalgamate with or into another Person, the Optionee will, subject to the provisions of Article 6 hereof, be entitled to receive at the time of any subsequent exercise of such Option in accordance with the terms hereof and will accept in lieu of the number of Common Shares then subscribed for an aggregate consideration payable therefor, adjusted, if necessary, to preserve proportionately the rights and obligations of the Optionee, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or exchange of shares or, subject to the provisions of Article 6 hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change or exchange of shares or the effective date of such consolidation, merger or amalgamation, as the

case may be, such Optionee had been the registered holder of the number of Common Shares to which such Optionee was immediately theretofore entitled upon such exercise.

5.4 Distribution to Securityholders

If, at any time prior to the expiration of the Expiration Period of such Option, the Corporation makes a distribution to all holders of Common Shares of shares or other securities, cash, evidences of indebtedness or other assets in the capital of the Corporation (excluding a regular ordinary course dividend in cash or Common Shares, but including common shares or equity interests in a subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the Exercise Price, or the number of Common Shares to which the Optionee is entitled upon exercise of Options, or any combination thereof, will be adjusted to take into account such distribution, transaction or change. Subject to the TSX approval, the Board will determine the appropriate adjustments to be made in such circumstances in order to maintain the Optionee's economic rights in respect of their Options in connection with such distribution, transaction or change.

5.5 Issue by Corporation of Additional Common Shares or Proportionate Voting Shares

Except as expressly provided in this Article 5, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (i) the number of Common Shares that may be acquired on the exercise of any outstanding Options, or (ii) the Exercise Price of any outstanding Options.

5.6 Fractions

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment pursuant to this Article 5, an Optionee would become entitled to a fractional Common Share, the Optionee has the right to acquire only the adjusted number of whole Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

5.7 Other Conditions of Exercise

The Plan and each Option are subject to the requirement that if at any time the Board determines that the listing, registration or qualification of the Common Shares subject to such Option upon any stock exchange or under any provincial, state or federal law, or the consent or approval of any governmental body or stock exchange or of the holders of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, cooperate with the Corporation in relation to such listing, registration, qualification, consent or other approval and shall have no claim or cause of action against the Corporation or any of its directors or officers as a result of any failure by the Corporation to obtain or to take any steps to obtain any such registration, qualification or approval.

ARTICLE 6
AMENDMENT OR DISCONTINUANCE OF THE PLAN

Subject to compliance with the applicable rules of the TSX, the Board may from time to time amend, suspend or terminate this Plan, or the terms of any previously granted Option, without obtaining the approval of shareholders of the Corporation, provided that no such amendment to the terms of any previously granted Option may, except as expressly provided in the Plan, or with the written consent of the Optionee, adversely alter or impair the terms or conditions of such Option previously granted to such Optionee under this Plan.

Any amendment to this Plan, or to the terms of any Option previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange, including receipt of any required approval from such governmental entity or stock exchange.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines or other rules adopted by the Board and in force at the time of such termination shall continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. Notwithstanding such termination of the Plan, the Board may make any amendments to the Plan or to the terms of any outstanding Options that it would be entitled to make if the Plan were still in effect.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Legal Requirement

This Plan, and the Options granted under this Plan, shall at all times be subject to the ongoing requirements of applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed.

The Corporation is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency.

7.2 Conformity to Plan

In the event that an Option is granted or an Option Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Options on terms different from those set out in this Plan, the Option, or the grant of such Option shall not be in any way void or invalidated, but the Option so granted will be adjusted to become, in all respects, in conformity with this Plan.

7.3 Optionee's Entitlement

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then vested or exercisable, are not affected by any change in the ownership of the Corporation.

7.4 Expenses

All fees and expenses incurred by the Corporation in connection with this Plan shall be borne by the Corporation. All expenses incurred by a Participant in connection with a grant or exercise of Options, including all fees and expenses of financial or legal advisors retained by such Participant in connection therewith, shall be borne by the Participant.

7.5 Withholding Taxes

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Common Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date as of which any amount with respect to the Option must be withheld by the Corporation.

7.6 Rights of Participant/Optionee

The granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Corporation or any Subsidiary. No Optionee has any rights as a shareholder of the Corporation in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option (including the payment of dividends or other distributions) until the allotment and issuance to the Optionee of a certificate or certificates in the name of the Optionee or a statement of account, at the discretion of the Optionee, representing such Common Shares. The loss of existing or potential profit in Options granted under this Plan will not constitute an element of damages in the event of termination of an Optionee's employment or service in any office or otherwise.

7.7 Indemnification

Every Director or member of the Committee will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Director or member of the Committee may sustain or incur by reason of any action, suit or proceeding, taken or threatened against such Director or member of the Committee, otherwise than by the Corporation, for or in respect of any act done or omitted by such Director or member of the Committee in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein. This shall be in addition to any indemnification agreement between the Corporation and the Directors.

7.8 Participation in this Plan

The participation of any Participant in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in this Plan. In particular, participation in this Plan does not constitute a condition of employment nor a commitment on the part of the Corporation or any Subsidiary to ensure the continued employment of such Participant or Optionee. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. Neither the Corporation nor any Subsidiary assumes any responsibility for the income or other tax consequences resulting to the Optionees and they are advised to consult with their own tax advisors.

7.9 Effective Date

This Plan was initially adopted by the Board on March 10, 2011 and amended on May 25, 2012 and further amended on April 9, 2013. Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Common Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

7.10 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

APPENDIX 1

US TAXPAYER EMPLOYEES

The terms of the Plan are hereby modified with respect to those Participants who are subject to income taxation under the laws of the U.S.:

SPECIAL APPENDIX
to the
Bauer Performance Sports Ltd.
Second Amended and Restated Rollover Stock Option Plan

Special Provisions Applicable to Participants Subject to
Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the Bauer Performance Sports Ltd. Second Amended and Restated Rollover Stock Option Plan (the "Plan") that apply to Participants whose compensation is subject to section 409A of the United States Internal Revenue Code of 1986, as amended. Terms defined in the Plan and used herein and in any Option Agreement applicable to any Option issued under the Plan shall have the meanings set forth in the Plan document, as amended from time to time.

1. Definitions.

For purposes of this Appendix:

(a) "Code" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

(b) "Section 409A" means section 409A of the Code.

(c) "Separation From Service" shall have the meaning as set forth in United States Treasury Regulation Section 1.409A 1(h).

(d) "US Taxpayer" means a Participant whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.

2. Non-qualified stock options; Exemption from Section 409A.

Options granted to US Taxpayers are not intended to satisfy the requirements of Code Section 422 as "incentive stock options." Notwithstanding any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate of the Corporation shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

3. Expiry of Option/Trading Blackouts.

Notwithstanding any provision of the Plan and any provisions of the Option Agreement to the contrary, Options granted to US Taxpayers may not be exercised under any circumstance following the 10th anniversary of the Date of Grant.

4. Use of Trust

Notwithstanding Section 4.8 of the Plan, no trust shall be established or funded with respect to Options granted to US Taxpayers if such trust would cause such Options to be treated as other than a stock right described in Treasury Regulation Section 1.409A-1(b)(5)(i)(A) or (B).

5. Adjustments to Options.

Notwithstanding Article IV and Article V of the Plan or any provision of the Option Agreement to the contrary, in connection with the adjustment and conversion of the Predecessor Options contemplated in Sections 4.1 and 4.2 of the Plan, and any subsequent adjustment to the Options, the number of Shares deliverable on the exercise of an Option held by a US Taxpayer and the Exercise Price of an Option held by a US Taxpayer shall be adjusted in a manner intended to keep the Options exempt from Section 409A.

6. Amendment of Appendix.

The Board shall retain the power and authority to amend or modify this Appendix to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

7. Non-transferability of Awards.

Notwithstanding Section 3.6 or 4.9 or any other provision of the Plan, except as otherwise set forth in the applicable Option Agreement, no Option or any interest or participation therein may be transferred (other than by will or by the laws of descent and distribution) if such transfer would be treated as a “modification” of such Option for purposes of the Code.

SCHEDULE A

NOTICE OF SUBSTITUTION

[Name & Address] [Date]

Dear **[Name]**:

In connection with the exchange of your options to acquire common shares of KBAU Holdings CI Limited granted to you on April 16, 2008 (the "**Predecessor Options**") for Options to acquire Common Shares of Bauer Performance Sports Ltd., effective _____, your Predecessor Options will be cancelled and substituted for Options to acquire _____ Common Shares at a price of Cdn.$_____ per Common Share.

Your Options are fully vested.

Your Options are subject to the provisions of the Plan, a copy of which is enclosed. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan. In the event of any discrepancy or conflict between this Notice of Exchange and the Plan text, as amended from time to time in accordance with the terms thereof, the Plan text shall govern.

Subject to earlier termination in accordance with the Plan, the Expiry Date of your Options is the 10th anniversary of the Date of Grant. The Date of Grant is the date on which your Predecessor Options were granted to you.

You should carefully review the terms and conditions of the Plan and seek advice from your legal and other advisors, prior to exercising your Options.

The Option exchange described above is strictly confidential and the information concerning the number or price of Common Shares subject to your Options granted under this Notice of Substitution should not be disclosed to anyone.

If you have any questions about the Plan or your Options, please contact ●.

Please sign and return a copy of this Notice of Substitution to ●.

Yours sincerely,

* * * * *

To Bauer Performance Sports Ltd. and Kohlberg Sports Group Inc.:

I acknowledge receipt of this Notice of Substitution, a copy of the Plan (including all the schedules to the Plan), and agree to be bound by the terms thereof. By accepting this grant, I acknowledge the termination of all Predecessor Options granted to me under the KBAU Holdings CI Limited Equity Incentive Plan in exchange for the substituted Options. Further, I represent and warrant to the Corporation that my participation in the Plan is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

DATED this _____ day of _____, 20___.

_____

Name (please print)

_____

Signature

SCHEDULE B

Stock Option Plan Exercise Notice Form

I, _____, hereby exercise the option
(print name)
to purchase _____ Common Shares of Bauer Performance Sports Ltd. (the "**Corporation**") at a purchase price of Cdn$_____ per Common Share of the Corporation. This Exercise Notice is delivered in respect of the option to purchase _____ Common Shares of the Corporation that was granted to me on _____ pursuant to the Option Agreement entered into between the Corporation and me.

In connection with the foregoing, I either (check one):

( ) (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of $_____ as full payment for the Common Shares to be received upon exercise of the Option and the applicable withholding taxes; or

( ) (ii) requests that the board of directors of the Corporation (the "**Board**") authorizes the exercise of the Option in another manner and on such other terms in accordance with the Board's discretion under the Plan.

Date

Optionee's Signature

_____

(Print name) _____

EXECUTION COPY

Exhibit 10.9

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Angela Bass (the "Executive"), effective as of January 9, 2012 (the "Effective Date").

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company immediately as of the Effective Date, under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Vice President, Human Resources or in such other position as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if requested by the Board of Directors of the Company (the "Board") or the CEO.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company and its Affiliates consistent with her positions with the Company and its Affiliates and as may be designated from time to time by the Board or the CEO.

(c) During the Term, the Executive shall devote her full business time and her best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of her duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the Term, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $250,000 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13 and otherwise from time to time by the Board, in its discretion.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 55% of the Base Salary payable to her for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee"), and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. In the event that the Effective Date is after the commencement of a fiscal year, the Annual Bonus will be pro-rated for such fiscal year, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under this Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"). For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. Effective on or about the Effective Date, the Executive shall be granted options (the "Option Awards") to acquire 67,000 common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the Option Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Bonus. The Executive shall receive a bonus in the amount of $10,000 (the "Bonus") during the payroll period that immediately follows the first anniversary of the Effective Date, provided that, during such twelve-month period, the employment of the Executive was not terminated under Section 4 below.

(e) Paid Time-Off. During the Term, the Executive shall be entitled to four (4) weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(f) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be eligible to participate in employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such

plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(g) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of her duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of her death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to her estate: (i) any earned, but unpaid Base Salary through the end of the month in which her death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of her termination of employment (the "Prior Year Bonus"); (iii) the Pro-Rated Bonus for the fiscal year in which her termination of employment occurs; (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of her material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination

by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided she has not resumed the full-time performance of her duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, her duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of her fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the

Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive her Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to her under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate her employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities (including a change in Executive's direct reporting relationship to the CEO), other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of her services hereunder that increases her one-way commute from her primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate her employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive her Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control. If the Executive's employment is terminated by the Company without Cause or the Executive terminates her employment for Good Reason, in each case, nine months prior to, or within twelve (12) months following, the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty-four (24) months.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be

revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if she revokes the Release of Claims as provided therein, except for the Accrued Obligations, she shall not receive the Severance Benefit or any other payment to which she may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, her rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of her employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for her own benefit or gain, any Confidential Information obtained by the Executive incident to her employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of her duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce her rights hereunder or under any of her equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after her employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and

any copies, in whole or in part, thereof (the " Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time her employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between herself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect her rights and obligations under any agreements between herself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on her activities during and after her employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following her termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not herself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, (iii) lacrosse equipment and apparel, and

(iv) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period she shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that she has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon her pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent her from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were she to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of her obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of her obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to her under Section 13(i); provided, however, that the Executive will only be entitled to the Base Salary increase contemplated in this Section 13 if, as of immediately prior to such relocation of the corporate headquarters, the Executive's primary residence for purposes of U.S. federal taxes had been the State of New Hampshire for a continuous period of longer than twelve (12) months.

14. Parachute Payments

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for

cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of her receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of

any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at her last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A

shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of her Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Option Awards or other stock options granted to her under the 2011 Plan (the "BPS Options", and together with Base Salary and Annual Bonus, the " Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for her additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options, including all amendments to such returns, as well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of her federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return

preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and her tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

ANGELA BASS		BAUER HOCKEY, INC.
/s/ Angela Bass	By:	/s/ Kevin Davis
	Title:	CEO

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless she executes this Release, Executive, for and on behalf of herself and her heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that she intends to waive and release any rights known or unknown that she may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that she may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that she has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that she is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that she will not initiate or cause to be initiated on her behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right she may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, she will be limiting the availability of certain remedies that she may have against the Company and limiting also her ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on her behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of her claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that she has been advised that she has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and she does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT SHE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW SHE IS GIVING UP CERTAIN RIGHTS WHICH SHE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT SHE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of her execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the

Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite her signature below.

DATE ANGELA BASS

In consideration of the Executive's acceptance of this Release and her meeting in full her obligations under it, the Company hereby releases and forever discharges the Executive, her heirs, assigns, executors, administrators and representatives, and all others connected with her, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against her that are in any way related to,

arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE

Name:
Title:

EXECUTION COPY

Exhibit 10.10

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Kevin Davis (the "Executive"), effective as of the closing date of the initial public offering of Bauer Performance Sports Ltd. (the "Effective Date").

WHEREAS, the Executive is presently employed as the President and Chief Executive Officer of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as its President and Chief Executive Officer reporting to the Board of Directors of the Company (the "Board") and shall also serve in such other executive positions of materially similar duties, authority and reporting responsibility for any Company subsidiary or Affiliate (as hereinafter defined) as requested by the Board. In addition, during the Term the Executive shall also serve as Chief Executive Officer and President of Bauer Performance Sports Ltd., a corporation formed under the law of British Columbia, Canada ("BPS"). The Executive further agrees to accept election, and to serve during all or any part of the Term, as a director of the Company and of any subsidiary or Affiliate of the Company, without any compensation therefor other than that specified in this Agreement, if elected to any such position by the shareholders or by the board of directors of such entity, as the case may be.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Board or by its designees.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this

Agreement, except as may be expressly approved in advance by the Board in writing; provided, however, that so long as such activities do not interfere in any material manner, or give rise to a conflict of interest, with the performance of the Executive's duties and responsibilities hereunder or otherwise violate this Agreement, the Executive may, without the necessity of seeking Board approval: (i) serve on industry, trade, professional, governmental, civic or charitable boards or committees disclosed to the Board; (ii) deliver lectures and fulfill speaking engagements with trade or other business or social associations and (iii) manage his personal investments.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $420,000 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section13 and otherwise from time to time by the Board, in its discretion. The Board will review the Executive's rate of Base Salary each year.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 85% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to 6 weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and customary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the

Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control . If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment for Good Reason, in each case, nine months prior to, or within twelve (12) months following, the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty-four (24) months.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), (f) and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last

day of the Continuation Period (whichever applies, the " Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to

any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the

Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i).

14. Parachute Payments.

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then the Company shall pay to the Executive an additional payment or payments (the " Gross-Up Payment") in an amount such that after payment by the Executive of all federal, national, state, provincial and local income and employment taxes imposed under U.S. and Canadian law (including any interest or penalties imposed with respect to such taxes), including without limitation any Excise Tax imposed upon the Gross-Up Payment (but excluding any taxes imposed by Section 409A of the Code), the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the

Payments. The Company shall pay to the Executive the Gross-Up Payment determined to be required under this Section 14 within 10 days after the determination by the Accounting Firm (as defined below) of the amount of such Gross-Up Payment. If, after the receipt by the Executive of a Gross-Up Payment but before the payment by the Executive of the Excise Tax, it is determined by the Accounting Firm that the Excise Tax payable by the Executive is less than the amount originally computed by the Accounting Firm and consequently that the amount of the Gross-Up Payment is larger than that required by this Section 14, the Executive shall promptly refund to the Company the amount by which the Gross-Up Payment initially made to the Executive exceeds the Gross-Up Payment required under this Section 14.

(b) Subject to the provisions of Section 14(e), all determinations required to be made under this Section 14, including whether an Excise Tax is payable by Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, will be made by a firm of certified public accountants nationally recognized within the U.S. (the "Accounting Firm") selected by the Company, which may be the Company's regular outside auditors. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by this Section 14 will be borne by the Company. The initial determination of whether a Gross-Up Payment is required, and if so, the amounts of the Excise Tax and the Gross-Up Payment shall be determined by the Accounting Firm not later than sixty (60) days after the date of a Statutory Change in Control. Any determination by the Accounting Firm as to the amount of the Gross-Up Payment will be binding upon the Company and the Executive. The determinations of the Accounting Firm under this Section 14 and the written report and other supporting documentation shall be delivered to the Company and the Executive. The Executive shall have the opportunity to review such determination and provide input prior to its finalization.

(c) The Company and the Executive will each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations contemplated by this Section 14.

(d) The US. tax returns filed by the Executive will be prepared and filed on a basis consistent with the determination of the Accounting Firm with respect to the Excise Tax payable by Executive. The Executive will make proper payment of the amount of any Excise Tax, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of his U.S. federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment.

(e) The Executive will notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification will be given as promptly as practicable but no later than 10 business days after the Executive actually receives notice of such claim and the Executive will further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive will

not pay such claim prior to the earlier of (i) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (ii) the date that any payment of amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive will (i) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company; (ii) take such action in connection with contesting such claim as the Company will reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company; (iii) cooperate with the Company in good faith in order effectively to contest such claim; and (iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company will bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest. Without limiting the foregoing provisions of this Section 14, the Company will control all proceedings taken in connection with the contest of any claim contemplated by this Section 14 and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided that the Executive may participate therein at his own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company will determine. If the Company directs the Executive to pay any such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis, and the Company shall indemnify the Executive for and hold the Executive harmless from, on an after-tax basis, any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance (including as a result of any forgiveness by the Company of such advance) exclusive of taxes imposed by Section 409A of the Code, and the Executive agrees to extend the statute of limitations for assessment of a deficiency in connection with any such proceeding if so requested by the Company, provided, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim will be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive will be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(f) If, after the payment by the Executive of any tax at the Company's direction, using an amount advanced by the Company pursuant to Section 14(e), the Executive becomes entitled to receive any refund or credit with respect to such tax, the Executive shall promptly pay to the Company the amount of such refund or credit (together with any interest paid or credited thereon and after taxes applicable thereto). If, after the payment by the Executive of any tax at the Company's direction, using an amount advanced by the Company pursuant to Section 14(e), a determination is made that the Executive shall not be entitled to any refund or credit with respect to such tax and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, or if thereafter there is a final determination that the Executive is not entitled to

such refund or credit, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of the Gross-Up Payment required to be paid.

(g) If it is ultimately determined (by IRS private ruling or closing agreement, court decision or otherwise) that any amounts paid by the Company pursuant hereto were not necessary to accomplish the purpose of this Agreement, the Executive shall promptly cooperate with the Company to correct such Company overpayments (by way of assigning any refund to the Company as provided herein, by direct payment or otherwise) in a manner consistent with the purpose of this Agreement, which is to protect the Executive by making him whole, on an after-tax basis, from the application of the Excise Tax with respect to the Payments, without conferring any extra benefit or windfall on the Executive.

(h) The parties agree and acknowledge that the Gross-Up Payments are not intended to represent additional compensation to the Executive. Any Gross-Up Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other plan of the Company except as the terms of such plan may expressly provide otherwise.

(i) If the Company obtains a binding agreement from the IRS that is reasonably satisfactory to the Executive to the effect that the IRS will not pursue the Executive for the Excise Tax or any other amounts covered by a Gross-Up Payment and for any interest or penalties thereon, the Executive will agree (a) not to claim a credit or refund with respect to deposits made by the Company with respect to its liabilities as a withholding agent for the Excise Tax and amounts covered by the Gross-Up Payment; (b) consent to the Company's making a refund claim or receiving a refund of such amounts; and (c) take such other actions without cost or other detriment to the Executive as the Company may reasonably request to assist the Company in obtaining a favorable resolution of the Company's refund claim for its deposits.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this

Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Board of Directors, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between KBAU Holdings US, Inc. and the Executive effective as of April 16, 2008 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as

defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section 22 with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011 Plan (collectively, the "BPS Options", and together with Base Salary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options including all amendments to such returns, as well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax

return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

KEVIN DAVIS	BAUER HOCKEY, INC.	
/s/ Kevin Davis	By:	/s/ Kevin Davis
	Title:	Chief Executive Officer & President

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between Kevin Davis ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-

(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE	KEVIN DAVIS

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE

Name:
Title:

EXECUTION COPY

Exhibit 10.11

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this " Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Paul Dachsteiner (the "Executive"), effective as of March 9, 2011 (the " Effective Date").

WHEREAS, the Executive is presently employed as the Vice President, Information Services of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Vice President, Information Services or in such other position as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if requested by the Board of Directors of the Company (the "Board") or the CEO.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company and its Affiliates consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Board or the CEO.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the Term, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $187,200 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13 and otherwise from time to time by the Board, in its discretion.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 40% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to 5 weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be eligible to participate in employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such

plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or

transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment for Good Reason, in each case, nine months prior to, or within twelve (12) months following, the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty-four (24) months.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), (f) and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form

attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information

remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12)

months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or

use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i); provided, however, that the Executive will only be entitled to the Base Salary increase contemplated in this Section 13 if, as of immediately prior to such relocation of the corporate headquarters, the Executive's primary residence for purposes of U.S. federal taxes had been the State of New Hampshire for a continuous period of longer than twelve (12) months.

14. Parachute Payments

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the

reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion

and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between the Company (f/k/a NIKE Bauer Hockey U.S.A., Inc.) and the Executive dated as of May 22, 2008 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that

constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011 Plan (collectively, the "BPS Options", and together with Base Salary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options, including all amendments to such returns, as well as costs related to audits of such returns and related amendments. The Executive will be

solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

PAUL DACHSTEINER		BAUER HOCKEY, INC.
/s/ Paul Dachsteiner	By:	/s/ Kevin Davis
	Title:	CEO

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this

Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE	PAUL DACHSTEINER

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are

known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE

Name:
Title:

EXECUTION COPY

Exhibit 10.12

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Paul Gibson (the "Executive"), effective as of the closing date of the initial public offering of Bauer Performance Sports Ltd. (the "Effective Date").

WHEREAS, the Executive is presently employed as the Executive Vice President, Product Creation and Supply Chain of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Executive Vice President, Product Creation and Supply Chain or in such other executive positions of materially similar duties, authority and reporting responsibility for any Company subsidiary or Affiliate (as hereinafter defined) as requested by the Board of Directors of the Company (the "Board"). In addition, during the Term to the extent such office (or a comparable office) is maintained by any entity which, directly or indirectly, owns all of the outstanding common stock of the Company (each, a "Parent"), the Executive shall also serve in such same (or comparable) executive position with each Parent, without additional compensation hereunder.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Board.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this Agreement, except as may be expressly approved in advance by the Board in writing; provided, however, that so long as such activities do not interfere in any material manner, or give rise to a conflict of interest, with the performance of the Executive's duties and responsibilities hereunder

or otherwise violate this Agreement, the Executive may, without the necessity of seeking Board approval: (i) serve on industry, trade, professional, governmental, civic or charitable boards or committees disclosed to the Board; (ii) deliver lectures and fulfill speaking engagements with trade or other business or social associations and (iii) manage his personal investments.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $309,000 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13 and otherwise from time to time by the Board, in its discretion. The Board will review the Executive's rate of Base Salary each year.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to 6 weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in

effect from time to time, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and customary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (f) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure

specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twenty-four (24) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later

than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e) and (f) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive

understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment (the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes

without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that

would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i).

14. Parachute Payments.

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for

cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of

any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Board of Directors, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between KBAU Holdings US, Inc. and the Executive effective as of April 16, 2008 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be

paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this

Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011 Plan (collectively, the "BPS Options", and together with Base Salary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options, including all amendments to such returns, as well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in

connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

PAUL GIBSON		BAUER HOCKEY, INC.
/s/ Paul Gibson	By:	/s/ Kevin Davis
	Title:	CEO

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between Paul Gibson ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d) or (e) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-

(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE	PAUL GIBSON

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE	Name: Title:

Execution Copy

Exhibit 10.13

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Easton Baseball/Softball Inc., a Delaware corporation (the "Company"), and Todd Harman, the " Executive"), effective as of April 6, 2015 (the "Effective Date").

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company immediately as of the Effective Date, under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing promises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Executive Vice President, Easton Baseball/Softball, or in such other position or positions as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if designated by the Board of Directors of the Company (the "Board") or the CEO.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company, its subsidiaries and its Affiliates consistent with his positions with the Company, and its subsidiaries and Affiliates and as may be designated from time to time by the Board or the CEO.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its subsidiaries and Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the Term, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and the obligations set forth in this Agreement and subject to the terms and conditions of this Agreement, the Executive shall receive from the Company:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $350,000 (three hundred fifty thousand US dollars) per annum, payable in accordance with the normal payroll practices of the Company for its

executives and subject to increase (but not decrease) from time to time by the CEO, in his/her discretion.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% (Sixty-Five Percent) of the fiscal earnings payable to him for the applicable fiscal year, excluding any earnings from Bonus paid during the fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee"), and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. In the event that the Effective Date is after the commencement of a fiscal year, the Annual Bonus will be pro-rated for such fiscal year, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under this Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"). In order to receive the pro-rated Annual Bonus, the Executive must be employed by the Company at the end of the fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date. To the extent an Annual Bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which such Annual Bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(c) Equity Based Awards. Subject to Board approval, on or about the Effective Date, the Executive shall be granted options (the "Option Awards") to acquire 125,000 (one hundred twenty-five thousand) common shares of PSG under the Bauer Performance Sports Limited Second Amended and Restated 2011 Stock Option Plan (the "2011 Plan"), and during the term the Executive shall be eligible to receive additional awards thereunder. If the Effective Date is within a "no trade" period, during which the Company is not allowed to grant awards under the 2011 plan or under applicable securities laws, the Executive shall be granted the Option Awards within thirty (30) days after the end of such period. The terms and conditions of the Option Awards and any other such awards shall be set forth in the 2011 Plan and award agreements entered into between PSG and the Executive.

d) Relocation. The Executive shall be eligible for relocation benefits as outlined in the attached Exhibit B. In the event the Executive voluntarily resigns his position without Good Reason (as defined in Section 4(e) below) or is terminated by the Company for

Cause (as defined in Section 4(c) below), (i) within the first twelve-month period after the Effective Date, the Executive shall repay to the Company 100% of the relocation benefits paid to the Executive or (ii) within the second twelve-month period after the Effective Date, the Executive shall repay to the Company 50% of the relocation benefits paid to the Executive. Executive agrees to make such repayment within sixty (60) days after the last day of his employment with the Company.

e) Paid Time-Off. During the Term, the Executive shall be entitled to four (4) weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(f) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be eligible to participate in employee benefit plans from time to time in effect for employees of the Company generally, except to the extent any benefit plan is in a category of benefits that is provided to the Executive (but not for employees of the Company generally) under this Agreement. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse to the Executive.

(g) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 20 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (f) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 20 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of Executive's death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of Executive's termination of employment (the "Prior Year Bonus"); (iii) the Pro-Rated Bonus for the fiscal year in which Executive's termination of employment occurs; (iv) any

unreimbursed business expenses (subject to the provisions of subsection 3 (g) above) and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests, if any, shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements. The Company shall have no other or further obligation to the Executive hereunder upon the death of the Executive.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of Executive's material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to a medical examination requested by the Company, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder in the event of Disability.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for "Cause" (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following, as determined by the CEO in his/her reasonable judgment, shall constitute Cause for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its subsidiaries or Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company or any of its subsidiaries or Affiliates;

(iii) The Executive's material breach of any of the terms of this Agreement, Company policies (including policies such as those prohibiting harassment), or his fiduciary duties to the Company or any of its subsidiaries or Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation); or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony or any other action by the Executive that has resulted, or could be reasonably expected to result, in material injury to the reputation of Executive or the business of the Company, any of its subsidiaries or Affiliates.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder for, or as a result of, the termination of Executive's employment, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable under applicable law. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive for or as a result of the termination of Executive's employment, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) with regard to payments made by the Executive pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), to reimburse the Executive an amount equal to the percentage of medical and dental benefits provided by the Company to the Executive at the conclusion of the Term (subject to the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to Executive under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the timing of the termination of the Executive's employment; (v) pay the Executive the Prior Year Bonus; and (vi) pay the Executive the Annual Bonus, pro-rated for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on the Company's actual performance for the full fiscal year (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual

bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate Executive's employment hereunder for "Good Reason" (as hereinafter defined) at any time upon notice to the Board setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute Good Reason:

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities (including a change in Executive's direct reporting relationship to the CEO), other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof, or as a result of the diminution of the business of the Company; provided, however, that a change in reporting responsibilities resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary or Annual Bonus in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by more than fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive for, or as a result of, the termination of the Executive's employment, other than to pay or provide the Executive with (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable PSG equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company shall pay the Executive his Base Salary for the notice period (or for any remaining portion of the period, as the case may be). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in accordance with

applicable law. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination of the Executive's employment pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations contained in each of Sections 4(d), (e), and (f) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims"), and the expiration of any applicable revocation period contained in such Release of Claims following the Executive's termination of employment (the "Release Condition"). For avoidance of doubt, depending upon the Executive's age and other relevant circumstances, the twenty-one (21) and/or forty-five (45) day provisions in paragraph 3 and the revocation provisions in paragraph 4 may be excluded from the Release of Claims. Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 20 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, the Company shall have no obligation to comply with Sections 4(d), (e), or (f) of this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, Executive's rights to benefits and payments under any retirement, health or welfare employee benefits plan, under the Company's equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any subsidiary or Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that in light of the provisions of this Agreement, the Executive shall not be entitled to severance or termination pay under any benefit plan of the Company or any subsidiary or Affiliate in connection with the termination of Executive's employment.

(c) Provisions of this Agreement shall survive any termination of employment if so provided herein or if necessary or desirable to accomplish fully the purposes of such provisions, including without limitation the obligations of the Executive contained in Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations contained in Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, he shall not earn or be entitled to any compensation or benefits after the termination of Executive's employment.

1. Confidential Information.

(a) The Executive acknowledges that the Company and its subsidiaries and Affiliates continually develop Confidential Information, that the Executive may develop

Confidential Information for the Company or its subsidiaries or Affiliates and that the Executive may learn of Confidential Information during the course of Executive's employment with the Company. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its subsidiaries or Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its subsidiaries and Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a Company equity plan. The Executive understands that this restriction shall continue to apply after Executive's employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) The Executive acknowledges and agrees that all documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company and its subsidiaries and Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its subsidiaries and Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time Executive's employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements (including this Agreement) between himself and the Company.

2. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

3. Restricted Activities. Executive acknowledges that he will receive trade secret and confidential information during his employment, and in an effort to protect such information, Executive agrees as follows:

(d) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following the termination of the Executive's employment or, if later, the last day of the Continuation Period (whichever applies, the "Restriction Period"), the Executive shall not solicit any customer of the Company to terminate its relationship with the

Company. For avoidance of doubt, the Executive agrees and acknowledges that this Agreement is necessary to protect the trade secrets of the Company. The Executive acknowledges as well that in his role as Executive Vice President, Easton Baseball/Softball and as a member of the executive team, he will be privy to trade secrets relating to the following affiliates of the Company: Bauer Hockey, Mission Roller Hockey, Combat, Maverik Lacrosse, Cascade Helmets, and Inaria Soccer, as well as affiliates acquired subsequently by the Company or one of its affiliates. The Executive agrees and acknowledges that this Agreement also is necessary to protect the trade secrets of those affiliates.

(e) The Executive further agrees that during the Restriction Period, the Executive will not solicit any Person who is an employee of the Company to discontinue working for the Company, whether for the purpose of working for any competitor or otherwise.

(f) The Executive further agrees that during the Restriction Period he shall not make false, misleading or disparaging statements about the Company or its subsidiaries or Affiliates including, without limitation, their products, services, management, shareholders, employees and customers.

4. Enforcement of Covenants. The Executive acknowledges that the Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained therein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its subsidiaries and Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent the Executive from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were the Executive to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post a bond. The parties agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area, too great a range of activities, or otherwise, such provision shall be modified to permit its enforcement to the maximum extent permitted by law. The parties further agree (a) that the Company, in its sole discretion, may waive any of the provisions in Sections 6, 7, or 8 by providing notice to the Executive and (b) that in the event of any breach of Section 8 by the Executive, the Restriction Period shall be extended by the period of time during which the Executive was in breach.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of the Executive's obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will

not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(g) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of PSG.

(h) "Confidential Information" means any and all information of the Company and its subsidiaries or Affiliates that is not generally known by others with whom it or they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its subsidiaries or Affiliates would assist in competition against it or them. Confidential Information includes without limitation such information whether in verbal form, machine-readable form, written or other tangible form, and whether designated as confidential or not, relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its subsidiaries and Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its subsidiaries and Affiliates, (iv) the identity and special needs of the customers of the Company and its subsidiaries and Affiliates (v) the Intellectual Property of the Company, its subsidiaries and Affiliates, (vi) the filing or pendency of patent applications, trade secrets, techniques, methods, styles, designs, design concepts and ideas, customer, client and vendor lists, contract factory lists, pricing information, manufacturing plans, business and marketing plans, financial information, sales information, methods of operation, manufacturing processes and methods, products, prospect lists, and other information regarding prospects or potential prospects or projects, concepts, data, information (including financial, accounting, and other information) relating to customers, clients, employees, agents, contractors, suppliers and distributors of the Company or any of its subsidiaries or Affiliates, (vii) the Persons with whom the Company and its subsidiaries and Affiliates otherwise have business relationships and the existence and nature of those relationships, and (viii) all printed or electronic copies of any of the foregoing, including notes, extracts and documents containing Confidential Information. Confidential Information also includes information similar to Confidential Information that the Company or any of its subsidiaries or Affiliates has received belonging to others or which was received by the Company or any of its subsidiaries or Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(i) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal

business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(j) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(k) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Parachute Payments

(a) This Section 13 shall apply only in the case of a Statutory Change in Control (as defined below) and at a time when the Company or PSG has stock which is "readily tradeable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 13 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 13 shall be made by the Company's

regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 13(c) that such Underpayment is due.

14. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

15. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this

Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

18. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, PSG and their respective Affiliates.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

20. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an Annual Bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which such Annual Bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

21. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

23. Governing Law. This is a California and shall be construed and enforced under and be governed in all respects by the laws of the State of California, without regard to the conflict of laws principles thereof.

24. Arbitration. The Company and Executive agree, as a necessary and material condition of Executive's employment, that any dispute between Executive and the Company or any of its employees, agents, officers, directors or affiliates, which relates to Executive's employment with the Company, shall be resolved exclusively through final and binding arbitration. Excluded from this Agreement are claims for workers' compensation, unemployment compensation, claims under the National Labor Relations Act or a collective bargaining agreement, or any other claim that is non-arbitrable under applicable state or federal law as well as claims for injunctive relief.

Thus, except for the claims excluded above, this Agreement includes all common law and statutory claims, including but not limited to, any claim for breach of contract, unpaid wages, wrongful termination, unfair competition, and for violation of laws forbidding discrimination, harassment, and retaliation on the basis of race, color, religion, gender, age, national origin, disability, and other protected status. The parties agree that any arbitration required by this Agreement will take place on an individual basis. Class arbitrations and class actions are not allowed by signing this Agreement, Executive acknowledges and agrees that he is knowingly and voluntarily waiving his right to pursue such claims in court and instead will pursue them in arbitration. The Company and Executive understand that a request for to arbitrate a claim must be made to the other party in writing within the time limits applicable to the filing of a civil complaint in court or the complaining party will have waived his or its right to pursue such claim.

Executive further agrees that any such arbitration will be before a mutually agreed upon arbitrator, and will be administered in accordance with the applicable arbitration rules and procedures of JAMS in accordance with the JAMS Employment Arbitration Rules and Procedures (except where the JAMS or other ADR provider's rules are contrary to applicable state or federal law) or California Code of Civil Procedure section 1280 et seq. or similar state laws. The parties may agree to use another dispute resolution service (such as ADR Services, Judicate West, or AAA) but agree that if another dispute resolution service is used, the arbitration will be conducted in accordance with the JAMS Employment Arbitration Rules and Procedures, a current copy of which have been provided to the Executive prior to the execution of this agreement and is also accessible at http://www.jamsadr.com/rules-employment-arbitration/.

The Company shall pay all costs uniquely attributable to any arbitration encompassed by this Agreement, including the administrative fees and costs of the arbitrator. Executive is not required to pay any fee or cost that he would not be required to pay in a state or federal court action.

The parties agree that any remedies that would have been available in a state or federal court action are available to the parties in arbitration under this Agreement. If the law applicable to the

claim(s) being arbitrated, or any agreement, affords the prevailing party attorneys' fees and costs, then the arbitrator shall apply the same standards a court would apply to award such attorneys' fees and/or costs. Each party shall pay his or its own costs and attorneys' fees, if any, associated with any arbitration encompassed by this Agreement unless the arbitrator rules otherwise.

If the parties cannot agree on an arbitrator, then the JAMS rules will govern selection. The arbitrator's decision is to be in writing, with reasons given and evidence cited for his the award. Any court of competent jurisdiction may enter judgment upon the award, either by (a) confirming the award or (b) vacating, modifying, or correcting the award on any ground referred to in the Federal Arbitration Act, California Code of Civil Procedure section 1286 et seq. or similar state law. Judgment of the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Arbitration hearings will be held in the county in which the Employee lives or at such other location as the parties may agree in writing. The arbitrator selected will have the power to control the timing, scope, and manner of the taking of discovery and will have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California, including, but not limited to, the imposition of sanctions. The arbitrator will have the power to grant all remedies provided by federal and California law.

The arbitrator will prepare in writing an award that indicates the prevailing party or parties, the amount, if any, and other relevant terms of the award, and that includes the legal and factual reasons for the decision. The requirement of binding arbitration will not preclude a party from seeking a temporary restraining order or preliminary injunction or other provisional remedies from a court with jurisdiction; however, any and all other aspects of and proceedings relevant to the claims or causes of action being asserted, including, but not limited to, those seeking damages, will be subject to binding arbitration as provided herein.

If any court of competent jurisdiction finds that any part of the arbitration provisions of this Agreement is illegal, invalid or unenforceable, such finding will not affect the legality, validity or enforceability of the remaining parts of the arbitration provisions, and the illegal, invalid or unenforceable part will be stricken from the Agreement.

25. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

EASTON BASEBALL/SOFTBALL INC.

/s/ Todd Harman	By:	/s/ Angela Bass
Executive	Title:	EVP, Global Human Resources

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] (" Executive") and Easton Baseball/Softball Inc., a Delaware corporation (the "Company"), to which Executive agrees Executive is not entitled until and unless Executive executes this Release, Executive, for and on behalf of Executive and Executive's heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that Executive intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (f) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that Executive may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate of the Company is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. California Civil Code section 1542 Waiver

In connection with the above release, Executive acknowledges reading and understanding section 1542 of the California Civil Code, which provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Executive knowingly and voluntarily waives all rights under section 1542. Accordingly, Executive bears the risk that he may later discover additional or different facts that might have materially affected his settlement with the company. Nonetheless, it is his intention to fully, finally and forever settle and release all of his claims that now exist, may exist, or have existed, except as otherwise herein expressly provided.

3. Proceedings

Executive acknowledges that the Executive has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that the Executive is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that the Executive will not initiate or cause to be initiated on the Executive's behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right the Executive may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC") or the New Hampshire Commission for Human Rights. Further, Executive understands that, by executing this Release, the Executive will be limiting the availability of certain remedies that the Executive may have against the Company and limiting also the Executive's ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on the Executive's behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of the Executive's claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

4. Time to Consider

Executive acknowledges that he has been advised that the Executive has [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release to consider all the provisions of this Release and, should the Executive execute this release prior to [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release, the Executive does hereby knowingly and voluntarily waive said given [twenty-one (21)] [forty-five (45)] day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT THE EXECUTIVE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW THE EXECUTIVE IS GIVING UP CERTAIN RIGHTS WHICH THE EXECUTIVE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT THE EXECUTIVE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

5. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of the Executive's execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-(8) day period, consistent with the terms of the Employment Agreement. If Executive fails to execute this Release within [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release or the Executive revokes this Release within seven (7) days of the Executive's execution of this Release, Executive will be deemed not to have accepted the terms of this Release and will not be due any consideration referenced in the Employment Agreement dependent upon, or the result of, Executive's execution of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive. The Executive's failure to execute this release within [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release, or his revocation of this Release within seven (7) days of his execution of this Release, will not relieve the Executive of any obligations set forth in the Employment Agreement.

6. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

7. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

8. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of California without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, the Executive's heirs, assigns, executors, administrators and representatives, and all others connected with the Executive, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against the Executive that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Easton Baseball/Softball Inc.

DATE

Name:
Title:

EXECUTION COPY

Exhibit 10.14

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Troy Mohns (the "Executive"), effective as of the closing date of the initial public offering of Bauer Performance Sports Ltd. (the "Effective Date").

WHEREAS, the Executive is presently employed as the Vice President, Category Management of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Vice President, Category Management and in such other executive position of materially similar duties, authority and reporting responsibility for any Company subsidiary or Affiliate (as hereinafter defined) as requested by the Board of Directors of the Company (the "Board"). In addition, during the Term to the extent such office (or a comparable office) is maintained by any entity which, directly or indirectly, owns all of the outstanding common stock of the Company (each, a "Parent"), the Executive shall also serve in such same (or comparable) executive position with each Parent, without additional compensation hereunder.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Chief Executive Officer of the Company.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this Agreement, except as may be expressly approved in advance by the Board in writing; provided, however, that so long as such activities do not interfere in any material manner, or give rise to a conflict of interest, with the performance of the Executive's duties and responsibilities hereunder

or otherwise violate this Agreement, the Executive may, without the necessity of seeking Board approval: (i) serve on industry, trade, professional, governmental, civic or charitable boards or committees disclosed to the Board; (ii) deliver lectures and fulfill speaking engagements with trade or other business or social associations and (iii) manage his personal investments.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $205,000 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13 and otherwise from time to time by the Board, in its discretion. The Board will review the Executive's rate of Base Salary each year.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to 6 weeks paid time-off per annum in accordance with the Company's paid time-off policy as in

effect from time to time, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and customary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure

specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later

than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment for Good Reason, in each case, nine months prior to, or within twelve

(12) months following the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty-four (24) months.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), (f) and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and

procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under his equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be

permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by

reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i).

14. Parachute Payments.

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this

Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Board of Directors, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between KBAU Holdings US, Inc. and the Executive effective as of April 16, 2008 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011 Plan (collectively, the "BPS Options", and together with Base Salary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options, including all amendments to such returns, as

well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

TROY MOHNS		BAUER HOCKEY, INC.
/s/ Troy Mohns	By:	/s/ Kevin Davis
	Title:	CEO

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-

(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE TROY MOHNS

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE

Name:
Title:

EXECUTION COPY

Exhibit 10.15

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this " Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Amir Rosenthal (the "Executive"), effective as of the closing date of the initial public offering of Bauer Performance Sports Ltd. (the "Effective Date").

WHEREAS, the Executive is presently employed as the Chief Financial Officer of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as the Chief Financial Officer or in such other executive positions of materially similar duties, authority and reporting responsibility for any Company subsidiary or Affiliate (as hereinafter defined) as requested by the Board of Directors of the Company (the "Board"). In addition, during the Term to the extent such office (or comparable office) is maintained by any entity which, directly or indirectly, owns all of the outstanding common stock of the Company (each, a "Parent"), the Executive shall also serve in such same (or comparable) executive position with each Parent, without additional compensation hereunder.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company and its Affiliates consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Chief Executive Officer of the Company.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this Agreement, except as may be expressly approved in advance by the Board in writing; provided, however, that so long as such activities do not interfere in any material manner, or give rise to a conflict of interest, with the performance of the Executive's duties and responsibilities hereunder

or otherwise violate this Agreement, the Executive may, without the necessity of seeking Board approval: (i) serve on industry, trade, professional, governmental, civic or charitable boards or committees disclosed to the Board; (ii) deliver lectures and fulfill speaking engagements with trade or other business or social associations and (iii) manage his personal investments.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $325,000 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13 and otherwise from time to time by the Board, in its discretion. The Board will review the Executive's rate of Base Salary each year.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to 5 weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in

effect from time to time, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and customary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure

specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later

than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment for Good Reason, in each case, nine months prior to, or within twelve

(12) months following, the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty-four (24) months.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), (f) and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and

procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be

permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by

reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i); provided, however, that the Executive will only be entitled to the Base Salary increase contemplated in this Section 13 if, as of immediately prior to such relocation of the corporate headquarters, the Executive's primary residence for purposes of U.S. federal taxes had been the State of New Hampshire for a continuous period of longer than twelve (12) months.

14. Parachute Payments

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to

such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure

to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between the Company (f/k/a Nike Bauer Hockey U.S.A., Inc.) and the Executive dated as of April 1, 2009 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable

provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred

due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section 22 with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011 Plan (collectively, the "BPS Options", and together with Base Salary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options; including all amendments to such returns, as well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

AMIR ROSENTHAL		BAUER HOCKEY, INC.
/s/ Amir Rosenthal	By:	/s/ Kevin Davis
	Title:	CEO

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-

(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE	AMIR ROSENTHAL

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE	Name: Title:

Execution Copy

Exhibit 10.16

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Richard M. Wuerthele (the "Executive"), effective as of March 1, 2014 (the "Effective Date").

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company immediately as of the Effective Date, under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing promises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Executive Vice President, Hockey or in such other position as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if requested by the Board of Directors of the Company (the "Board") or the CEO.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company and its Affiliates consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Board or the CEO.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the Term, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $350,000 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) from time to time by the CEO, in his/her discretion.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee"), and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. In the event that the Effective Date is after the commencement of a fiscal year, the Annual Bonus will be pro-rated for such fiscal year, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under this Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"). In order to receive the pro-rated Annual Bonus, the Executive must be employed by the Company at the end of the fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date. To the extent an Annual Bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which such Annual Bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(c) Equity Based Awards. Subject to Board approval, effective on or about the Effective Date, the Executive shall be granted options (the "Option Awards") to acquire 175,000 (one hundred seventy-five thousand) common shares of BPS under the Bauer Performance Sports Ltd. Second Amended and Restated 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the Option Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Signing Bonus. The Executive shall receive a signing bonus in the amount of $100,000 (the "Signing Bonus") during the first regular payroll period that immediately follows the Effective Date. In the event that the Executive voluntarily resigns his position without Good Reason (as defined in Section 4(e) below) or is terminated by the Company for Cause (as defined in Section 4(c) below) , (i) within the first twelve-month period after the Effective Date, the Executive shall repay to the Company 100% of the Signing Bonus or (ii) within the second twelve-month period after the Effective Date, the Executive shall repay to the Company 50% of the Signing Bonus. Executive agrees to make such repayment within thirty (30) days after the last day of his employment with the Company.

(e) Paid Time-Off. During the Term, the Executive shall be entitled to four (4) weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(f) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be eligible to participate in employee benefit plans from time to time in effect for employees of the Company generally, except to the extent any such plan is in a category of benefits that is provided to the Executive under this Agreement. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(g) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 20 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 20 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) the Pro-Rated Bonus for the fiscal year in which his termination of employment occurs; (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following, as determined by the CEO in his/her reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates;

(iii) The Executive's material breach of any of the terms of this Agreement, company policies (including policies such as those prohibiting harassment), or his fiduciary duties to the Company and Affiliates (except where the breach of

fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation); or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony or any other action by the Executive that has, or could be reasonably expected to result in, material injury to the reputation of Executive or the business of the Company.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable under applicable law. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate him employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities (including a change in Executive's direct reporting relationship to the CEO), other than as is materially consistent with the

Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary or Annual Bonus in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company shall pay the Executive his Base Salary for the notice period (or for any remaining portion of the period, as the case may be). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in accordance with applicable law. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims"), and the expiration of any revocation period contained in such Release of Claims following the Executive's termination of employment (the "Release Condition"). Payments and benefits of amounts which do not

constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 20 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The

Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, his employment by the Company and the compensation and benefits described herein and the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe itself or through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates; (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel; (iii) lacrosse equipment and apparel; (iv) baseball and softball equipment and apparel; (v) any other line of business in which the

Company or any of its Affiliates, as of the date of termination of the Executive, is engaged; and (vi) any other line of business in which the Company or any of its Affiliates, as of the date of termination of the Executive, has taken significant steps in connection with preparing to engage and, during the Non-Competition Period, has become engaged.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or his relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained therein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Parachute Payments

(a) This Section 13 shall apply only in the case of a Statutory Change in Control (as defined below) and at a time when the Company or BPS has stock which is "readily tradeable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 13 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 13 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of

hisr receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 13(c) that such Underpayment is due.

14. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

15. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

18. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive’s employment with the Company, BPS and their respective Affiliates.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

20. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an Annual Bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which such Annual Bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are

not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

21. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

23. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

24. Arbitration. Except as expressly set forth in this Section, in the event any dispute should arise between the parties with respect to any of the terms and conditions of this Agreement and/or the Executive's employment with the Company, the parties agree that any and all controversies, claims or disputes between them, including but not limited to any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits, shall be submitted to final and binding arbitration, to be held in Boston, Massachusetts and administered by the American Arbitration Association ("AAA"). Any arbitration shall be subject to the provisions of Chapter 542 of the New Hampshire Revised Statutes and conducted pursuant to AAA's Employment Arbitration Rules (the "Arbitration Rules"). Issues of arbitrability shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and not state law.

The arbitration shall be conducted before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator may award any form of remedy or relief that would otherwise be available in court (including equitable relief such as injunctions, temporary restraining orders, etc.), consistent with applicable law. Any award pursuant to said arbitration shall be accompanied by a detailed written opinion of the arbitrator setting forth the reason for the award.

The Executive knows that options other than arbitration, such as state and federal administrative and judicial remedies, are available to resolve any discrimination claim and, despite such knowledge, the Executive agrees to arbitrate all claims pursuant to this Section. The Executive understands that by signing this Agreement, he is waiving, and will forever be precluded from asserting, his right to utilize statutory administrative procedures and to seek judicial remedies with respect to such claims. The parties agree not to institute any litigation or proceedings against each other in connection with this Agreement except as provided in this Section, provided, however, that either Party shall have the right to seek injunctive relief or other provisional remedies exclusively in any federal or state court of competent jurisdiction in the State of New Hampshire, and both parties consent to the exclusive jurisdiction of the state and federal courts of New Hampshire for such purposes. Notwithstanding the foregoing, nothing in this Section shall be construed to preclude the Executive from participating or cooperating in any investigation or proceeding conducted by the New Hampshire Commission for Human Rights, the Equal Employment Opportunity Commission or any other administrative agency. However, in the event that a charge or complaint is filed against the Company with any administrative agency or in the event of an authorized investigation, charge or lawsuit filed against the Company by any administrative agency, the Executive expressly waives and shall not accept any award or damages from such a proceeding but instead will pursue any claim for such damages in an arbitration proceeding as set forth in this Section.

25. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

2/26/14		BAUER HOCKEY, INC.
/s/ Richard M. Wuerthele	By:	/s/ Angela Bass
	Title:	VP Human Resources

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] (" Executive") and Bauer Hockey, Inc., a Vermont corporation (the "Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC") or the New Hampshire Commission for Human Rights. Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release to consider all the provisions of this Release and, should he execute this release prior to [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release, he does hereby knowingly and voluntarily waive said given [twenty-one (21)] [forty-five (45)] day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the

Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-(8) day period, consistent with the terms of the Employment Agreement. If Executive fails to execute this Release within [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release or he revokes this Release within seven (7) days of his execution of this Release, Executive will be deemed not to have accepted the terms of this Release and will not be due any consideration referenced in the Employment Agreement dependent upon his execution of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive. The Executive's failure to execute this release within [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release, or his revocation of this Release within seven (7) days of his execution of this Release, will not relieve him of any obligations set forth in the Employment Agreement.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

_____ _____

DATE

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with hi , from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE

Name:
Title:

EXECUTION COPY
Exhibit 10.17

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Michael J. Wall (the "Executive"), effective as of the closing date of the initial public offering of Bauer Performance Sports Ltd. (the "Effective Date").

WHEREAS, the Executive is presently employed as the Vice President, General Counsel and Corporate Secretary of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as its Vice President, General Counsel and Corporate Secretary or in such other position as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if requested by the Board of Directors of the Company (the "Board") or the CEO. In addition, during the Term to the extent such office (or comparable office) is maintained by any entity which, directly or indirectly, owns all of the outstanding common stock of the Company (each, a "Parent"), the Executive shall also serve in such same (or comparable) executive position with each Parent, without additional compensation hereunder.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the CEO.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this Agreement, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $249,100 per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13 and otherwise from time to time by the Board, in its discretion. The Board will review the Executive's rate of Base Salary each year.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 40% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011 Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to 4 weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such

plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and

twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which

remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with

the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment for Good Reason, in each case, nine months prior to, or within twelve (12) months following, the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty-four (24) months.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), (f) and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive

understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than 5% of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in

any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its "Affiliates" (shall be limited to Affiliates from whom the Executive has provided legal services during the term hereof) is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties agree that the provisions of Sections 6, 7 and 8 hereof shall be interpreted so as to comply with any applicable rules of professional conduct (the "Rules"), including ABA Model Rule 5.6 or its state counterpart and further agree further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being in violation of the Rules, being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or

any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations . In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount (intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i); provided, however, that the Executive will only be entitled to the Base Salary increase contemplated in this Section 13 if, as of immediately prior to such relocation of the corporate headquarters, the Executive's primary residence for purposes of U.S. federal taxes had been the State of New Hampshire for a continuous period of longer than twelve (12) months.

14. Parachute Payments

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is "readily tradable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this

Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the CEO, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between NIKE Bauer Hockey U.S.A., Inc., and the Executive effective as of June 23, 2008 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an annual bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the "Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011 Plan (collectively, the "BPS Options", and together with Base Salary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross-up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options, including all amendments to such returns, as

well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

MICHAEL J. WALL		BAUER HOCKEY, INC.
/s/ Michael J. Wall	By:	/s/ Kevin Davis
	Title:	CEO

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the " Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-

(8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

[signature page follows]

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE MICHAEL J. WALL

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE Name:
Title:

Exhibit 14.1

PERFORMANCE SPORTS GROUP LTD.
CODE OF BUSINESS CONDUCT AND ETHICS

1.0 Introduction

Performance Sports Group Ltd. ("**PSG**") is committed to conducting its business and affairs in accordance with high professional and ethical standards. This Code of Business Conduct and Ethics (the "**Code**") reflects PSG's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees, officers, directors, consultants and contractors of PSG (collectively, the "**Representatives**") are expected to comply.

2.0 General Principles

PSG is committed to conducting its business and affairs with honesty, integrity and in accordance with high ethical and legal standards.

This Code provides a set of ethical standards to guide each Representative in the conduct of its business, and for each director, officer and employee constitutes conditions of employment, and for each consultant and contractor constitutes conditions of providing services to PSG.

This Code provides an overview of PSG's expectations for its Representatives and is supplemented by and intended to work in conjunction with other current policies adopted by PSG and those other polices that may be adopted by PSG from time to time. You should refer to those policies for more detail in the specific context.

3.0 Application of this Code

This Code applies to all Representatives and receipt of the latest version of this Code will be deemed to constitute your acceptance and agreement to be bound by its terms.

4.0 Communication of this Code

Copies of this Code are made available to all persons bound by it, either directly or by posting of the Code on the PSG intranet site. All persons or entities bound by the Code shall be informed whenever significant changes are made. New Representatives shall be provided with a copy of this Code.

5.0 Compliance with Laws, Code and Policies

All Representatives, in discharging their duties, shall comply with:

(a) the laws and regulations of the jurisdictions where they carry out their duties to PSG and all jurisdictions where PSG conducts its business activities, including the rules of any securities exchange or other organization or body that regulates PSG;

(b) this Code; and

(c) all corporate policies, which include, without limitation, the following principal corporate policies:

(i) Corporate Disclosure Policy;

(ii) Insider Trading Policy;

(iii) Anti-Corruption Policy;

(iv) Diversity Policy; and

(v) Related Person Transactions Policy.

All Representatives must respect and obey the laws and regulations of the jurisdictions in which PSG operates and avoid even the appearance of impropriety. Representatives who fail to comply with this Code and applicable laws and regulations will be subject to disciplinary measures, up to and including discharge from PSG.

6.0 Certification Regarding Compliance

All directors and officers of PSG, together with any employees, consultants and contractors specified by the Board of Directors (the "**Board**"), shall provide, upon request, certification of compliance with this Code, confirming compliance with all laws and regulations of the jurisdictions where they carry out their duties and where PSG is conducting its business activities, as well as compliance with all PSG policies.

The Chief Executive Officer of PSG shall be responsible for ensuring that certifications are obtained from time to time, as the Chief Executive Officer determines to be necessary, for all directors, officers, specified employees, specified consultants and specified contractors and for providing written confirmation to the Board, upon the request of the Chair, that such certifications have been obtained and summarizing the results thereof.

All directors, officers, employees and, as appropriate, consultants and contractors shall participate from time to time, as the Chief Executive Officer determines to be necessary, in a training session to help ensure that they understand the terms of the Code and all corporate policies of PSG.

7.0 Standards of Good Professional Ethics

PSG intends that its good reputation shall be maintained and, accordingly, all of PSG's activities shall be carried out ethically and with honesty and integrity, and for greater certainty, in accordance with the Anti-Corruption Policy, in the expectation that these activities will become a matter of public knowledge. Anything less is unacceptable and shall be treated as a serious breach of duty.

8.0 Conflict of Interest

Representatives, in discharging their duties, shall act honestly and in good faith with a view to the best interests of PSG. Representatives shall avoid situations involving a conflict, or potential conflict, between their personal, family or business interests, and the interests of PSG, and shall promptly disclose any such conflict, or potential conflict, to PSG.

Representatives shall perform their duties and arrange their personal business affairs in a manner that does not interfere with their independent exercise of judgment. No one working for or on behalf of PSG shall accept financial compensation of any kind, nor any special discount, loan or favor, from persons, corporations or organizations having dealings or potential dealings with PSG. See "Gifts and Entertainment" below.

A conflict of interest may not be immediately recognizable, so potential conflicts must be reported immediately. See "Reporting Violations of Law, the Code or PSG's Corporate Policies" below.

9.0 Public Reporting

As discussed in further detail in the Corporation's Corporate Disclosure Policy, full, fair, accurate and timely disclosure must be made in the reports and other documents that PSG files with, or submits to, the securities regulatory authorities in Canada and the United States and in its other public communications. Such disclosure is critical to ensure that PSG maintains its good reputation, complies with its obligations under the securities laws and meets the expectations of its shareholders.

Persons responsible for the preparation of such documents and reports and other public communications must exercise a high standard of care in accordance with the following guidelines:

- all accounting records, and the reports produced from such records, must comply with all applicable laws and regulations;
- all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- all accounting records must fairly and accurately reflect in reasonable detail PSG's assets, liabilities, revenues and expenses;
- accounting records must not contain any false or intentionally misleading entries;
- no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- no information should be concealed from the internal auditors or the independent auditors; and
- compliance with PSG's internal control over financial reporting and disclosure controls and procedures is required.

10.0 Protection and Proper Use of Assets

All Representatives shall deal with PSG's assets and resources, including all data, proprietary information (confidential or otherwise), records, material, supplies, facilities, equipment and software, and other assets owned or leased by PSG or that are otherwise in its possession, with the strictest integrity and with due regard to the interests of shareholders and all other stakeholders. PSG's assets may only be used for legitimate business purposes and must never be used for illegal purposes. PSG's assets may

not to be used for personal gain or benefit. In addition, all Representatives must act in a manner to protect such assets from loss, damage, misuse, theft and waste and ensure that such assets are used only for legitimate business purposes. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Proprietary information includes any information that is not generally known to the public or would be valued by, or helpful to, our competitors. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to use proprietary information only for legitimate business purposes continues even after individuals leave PSG.

11.0 Confidentiality

Information is a key asset of PSG. It is PSG's policy to ensure that its proprietary and confidential information, including proprietary and confidential information that has been entrusted to PSG by others, is adequately safeguarded, as set out in its Corporate Disclosure Policy. All confidential information, including information about PSG's business, assets, opportunities, suppliers and competitors should be properly protected from advertent or inadvertent disclosure. The obligation to preserve confidential information continues even after Representatives leave PSG.

Confidential information includes all non-public information (including, for example, "inside information" or information that suppliers and customers have entrusted to PSG) that may be of use to competitors, or may otherwise be harmful to PSG or its key stakeholders, if disclosed. Financial information is of special sensitivity and should under all circumstances be considered confidential, except where its disclosure is approved by PSG or when the information has already been publicly disseminated in a lawful manner.

For greater certainty, Representatives shall at all times act in a manner consistent with the high standards of ethical conduct set forth in the Anti-Corruption Policy.

12.0 Fair Dealing

All business dealings undertaken on behalf of PSG, including with its security holders, customers, suppliers, competitors, employees, consultants and contractors should be conducted in a manner that preserves PSG's integrity and reputation and complies with the Anti-Corruption Policy. It is PSG's policy, as outlined in the Anti-Corruption Policy, to seek to avoid bribery, corruption or unethical business practices of any kind in all dealings with its security holders, customers, suppliers, competitors, employees, consultants and contractors.

13.0 Good Ambassadorship

All Representatives are ambassadors of PSG in both their business and personal lives. While PSG supports the freedom of the individual to pursue life in his or her own way outside of business hours, Representatives are encouraged to act in a manner which upholds their good reputation and that of PSG.

All Representatives shall represent PSG in a professional manner at all times. Neither the reputation nor the image of PSG shall be jeopardized at any time. The behavior of all Representatives is seen to reflect that of PSG, so all actions must reflect its policies.

14.0 Corporate Opportunities

Representatives are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Representatives are also prohibited from competing with PSG directly or indirectly and owe a duty to PSG to advance the legitimate interests of PSG when the opportunity to do so arises.

15.0 Anti-Hedging and Anti-Pledging Policies

Representatives are prohibited from purchasing any financial instruments or engaging in any transactions that are designed to hedge or offset any decrease in the market value of PSG securities granted to them as part of their compensation or held directly or indirectly by them. Representatives may not sell "short" or sell a "call option" on any of PSG's securities or purchase a "put option" where they do not own the underlying security or, in the case of a short sale, an option currently exercisable therefor.

Further, Representatives are not permitted to buy PSG securities on margin, and directors and officers are prohibited from pledging securities as collateral for a loan. Please refer to PSG's Insider Trading Policy for its anti-hedging and anti-pledging policies.

16.0 Gifts and Entertainment

Representatives and their families shall not give nor accept gifts, gratuities or entertainment that has greater than a nominal monetary value, as more particularly outlined in the Anti-Corruption Policy and in PSG's broader policies on gifts and entertainment.

17.0 Human Rights

All Representatives shall adhere to PSG's commitment to promoting respect for internationally recognized human rights as set forth in the United Nations Universal Declaration of Human Rights.

18.0 Equal Opportunity

PSG is committed to providing a work environment that enables all employees to be recruited, and to pursue their careers, free from any form of unwarranted discrimination.

In particular, PSG shall not discriminate on the basis of age, color, creed, disability, ethnic origin, gender, marital status, national origin, political belief, race, religion or sexual orientation, unless required for occupational reasons as permitted by law.

19.0 Harassment

All employees have a right to work in an environment free from all forms of harassment. Harassment is defined as any unwanted conduct or comment that is intimidating, hostile or offensive in the work environment. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. PSG encourages the reporting of harassment when it occurs.

20.0 Alcohol and Drugs

Any misuse of alcohol or legal drugs (prescribed or un-prescribed), or the use of any illegal drugs, may jeopardize job safety and/or performance, and is prohibited in the workplace. No officer,

employee, consultant or contractor shall enter the workplace under the influence of alcohol or such drugs that may impair safety and/or performance.

21.0 Use of Electronic Media

PSG has developed a policy to ensure that you understand the rules governing your use of PSG's computer network, and options for e-mail and voicemail or other messaging services, Internet access or other use of electronic media. All PSG equipment, including desks, computers and computer systems, computer software, electronic storage devices, cellphones or other mobile devices, e-mail, voicemail and other physical items are for business use only. PSG at all times retains the right to access and search all such electronic media or other items contained in or used in conjunction with PSG's computer, e-mail, voicemail and Internet access systems and equipment with no prior notice.

Like PSG's computer network, e-mail and voicemail services, access to Internet services such as web-browsing or newsgroups is provided to employees by PSG only for business use. Any personal use must be infrequent and must not involve any prohibited activity, interfere with the productivity of the employee or his or her co-workers, consume system resources or storage capacity on an ongoing basis or involve large file transfers or otherwise deplete system resources available for business purposes.

Your messages and computer information in the workplace are considered PSG property and consequently, employees should not have an expectation of privacy in the context of computer and voice mail use. Unless prohibited by law, PSG reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

PSG also recognizes that many employees are choosing to express themselves by using Internet technologies, such as blogs, wikis, file-sharing, user generated audio and video, virtual worlds, and social networking sites, such as Facebook, LinkedIn and Twitter. Whether you choose to participate in such social networking outside of work on your own time is your own decision, however, we remind you of your responsibility as a PSG Representative to behave with honesty, integrity and in accordance with our high ethical and legal standards.

22.0 Political Contributions

PSG respects the right of each of its employees to participate in the political process and to engage in political activities of his or her choosing; however, while involved in their personal and civic affairs employees must make clear at all times that their views and actions are their own, and not those of PSG. Employees may not use PSG's resources to support their choice of political parties, causes or candidates.

PSG does not make contributions, directly or indirectly, to any political party or candidate, in any country, even if such contributions are legal in that country, and employees, directors and third parties must not do so on PSG's behalf. This prohibition includes financial contributions as well as contributions of anything else of value. Notwithstanding the foregoing prohibition, participation by PSG in trade or other industry associations is permitted even where such trade or other industry associations may engage in direct political activity.

23.0 Reporting Violations of Law, the Code or PSG's Corporate Policies

All Representatives shall adhere to PSG's commitment to conduct its business and affairs in a lawful and ethical manner. All Representatives are encouraged to talk to appropriate personnel within PSG when in doubt about the best course of action in a particular situation and to immediately report any breach or suspected breach of law, this Code or any of PSG's corporate policies.

PSG has an open door policy and invites all Representatives to share their questions, concerns or suggestions with someone who can address them properly. In most cases, a Representative's immediate supervisor is in the best position to address an area of concern. A breach or suspected breach of law, of this Code or any of PSG's other corporate policies may also be reported to a HR Representative or a member of PSG's legal department.

While PSG encourages Representatives to report breaches or suspected breaches of law, this Code or any other corporate policies of PSG through the aforementioned channels, it has also implemented a compliance hotline (the "**Compliance Hotline**") through which Representatives may report their concerns. PSG's Compliance Hotline website can be accessed at www.performancesportsgroup.ethicspoint.com and additional information for the Compliance Hotline can be found at www.performancesportsgroup.com/site/investors/governance.php. The Compliance Hotline is run by an independent call center operated by a vendor, Ethics Point.

Information provided through the Compliance Hotline will be forwarded and/or summarized in a report and delivered to the Board Chair and members of PSG's Corporate Governance and Nominating Committee and, if concerning financial statement disclosure, accounting procedures, internal financial controls or auditing matters, the information or report will be forwarded to the independent Chair of PSG's Audit Committee for due consideration, in each case with notice to the Chair of the Board.

Representatives may also submit such financial, accounting and auditing concerns directly to the independent Chair of PSG's Audit Committee at:

Audit Committee Chair
c/o Performance Sports Group Ltd.
100 Domain Drive
Exeter, New Hampshire
03833 USA

or

audit.committeechair@performancesportsgroup.com

Information submitted through the Compliance Hotline or directly to the Chair of the Audit Committee will be treated on a confidential or anonymous basis, to the fullest extent permitted under applicable law, regulation or legal proceedings and to the greatest extent possible, consistent with the need for PSG to conduct an effective investigation of the reported issue.

PSG prohibits retaliatory action against any officer or employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

24.0 Consequences of Violation of the Code

Failure to comply with the Code may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. The violation of the Code may also violate certain Canadian, U.S., stock exchange and/or other applicable laws in the country in which the Representative works or the jurisdictions in which PSG operates and if it appears that a Representative may have violated such laws, then PSG may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

25.0 Review of Code

The Board shall review and evaluate this Code from time to time as the Corporate Governance and Nominating Committee determines to be necessary to determine whether this Code is effective in ensuring that PSG's business and affairs are conducted with honesty, integrity and in accordance with high ethical and legal standards.

26.0 Queries

If you have any questions about how this Code should be followed in a particular case, please contact your HR Representative or a member of PSG's legal department.

27.0 Waivers of The Code

Any waiver of this Code with respect to a director or senior executive of PSG may be made only by the Board or the Corporate Governance and Nominating Committee. Any such waiver shall be disclosed to the extent and in the manner required by applicable laws and regulations.

28.0 Publication of The Code

This Code shall be posted on:

- PSG's website,
- PSG's intranet site,
- PSG's Compliance Hotline website at www.bauer.ethicspoint.com, and
- SEDAR's website at www.sedar.com.

Approved by the Board of Directors and the Corporate Governance and Nominating Committee
Performance Sports Group Ltd.
August 11, 2015

CERTIFICATION FORM

This will certify that I have received, read and understand the following policies provided by Performance Sports Group Ltd. ("**PSG**"):

- Code of Business Conduct and Ethics, dated as of August 11, 2015;
- Corporate Disclosure Policy, dated as of August 11, 2015;
- Insider Trading Policy, dated as of August 11, 2015; and
- Related Person Transactions Policy

(together the "**Policies**").

I hereby declare that I am responsible for understanding, complying with and implementing the Policies as they apply to my position and area of responsibility. I understand that I must also comply with the policies and rules governing my individual workplace or job function.

I hereby accept and assume such liability as a continuing condition of my employment (in the case of employees and consultants) and acknowledge that any breach of the Policies may result in the termination of my employment, consulting or contracting arrangement with PSG.

I confirm that for the period from● to ● I have been and am currently in compliance with the Policies, as well as the laws, regulation and rules of the jurisdiction where I carry out my business duties to PSG and all jurisdictions where PSG conducts its business activities, except as noted below or as has been already properly reported to PSG representatives.

(Use the back of this sheet to describe any existing circumstances that may conflict with the Policies. Please include as much detail as possible.)

_____

NAME (PRINT) SIGNATURE

_____

DATE

Exhibit 21.1

SUBSIDIARIES

Name	State or Country of Incorporation or Organization
BPS US Holdings Inc.	Delaware
KBAU Holdings Canada, Inc.	Canada
PSG Innovation Corp.	Canada
Bauer Hockey Corp.	Canada
Easton Baseball/Softball Corp.	Canada
Bauer Hockey, Inc.	Vermont
Easton Baseball/Softball Inc.	Delaware
Bauer Hockey Retail Inc.	Delaware
BPS Diamond Sports Inc.	Delaware
Performance Lacrosse Group Inc.	Delaware
Bauer Performance Sports Uniforms Inc.	Delaware
Mission-ITECH Hockey, Inc.	Delaware
Bauer Hockey GmbH	Germany
Bauer Performance Sports Uniforms Corp	Canada
Bauer Hockey AB	Sweden
Bauer Hockey Finland	Finland
Bauer Hockey Norway	Norway
Bauer Hockey Denmark	Denmark
Performance Sports Group Hong Kong Ltd.	China
Performance Lacrosse Group Corp.	Canada
BPS Canada Intermediate Corp.	Canada
BPS Diamond Sports Corp.	Canada
BPS Luxembourg S.a.r.l.	Luxembourg
Jacmal BV	Netherlands
Bauer CR spol s.r.o.	Czech Republic

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors

Performance Sports Group, Ltd.:

We consent to the incorporation by reference in the registration statement No. 333-198428 on Form S-8 of Performance Sports Group Ltd. of our report dated August 26, 2015, with respect to the consolidated balance sheets of Performance Sports Group, Ltd. as of May 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income (loss), cash flows, and stockholders' equity for each of the years in the three-year period ended May 31, 2015, and the related financial statement schedule, which report appears in the May 31, 2015 annual report on Form 10-K of Performance Sports Group, Ltd.

/s/ KPMG LLP
Boston, Massachusetts
August 26, 2015

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Kevin Davis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Performance Sports Group Ltd. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2015

By: /s/ Kevin Davis
Kevin Davis
Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Amir Rosenthal, certify that:

1. I have reviewed this Annual Report on Form 10-K of Performance Sports Group Ltd. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2015

By: /s/ Amir Rosenthal
Amir Rosenthal
President, PSG Brands, and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Performance Sports Group Ltd. (the "Company") on Form 10-K for the period ending May 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Davis, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kevin Davis
Kevin Davis
Chief Executive Officer
Date: August 26, 2015

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and is not being filed as part of the Form 10-K or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Performance Sports Group Ltd. (the "Company") on Form 10-K for the period ending May 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Amir Rosenthal, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Amir Rosenthal
Amir Rosenthal
President, PSG Brands and Chief Financial Officer
Date: August 26, 2015

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and is not being filed as part of the Form 10-K or as a separate disclosure document.

Exhibit 99.1

PERFORMANCE SPORTS GROUP LTD.
CHARTER OF THE AUDIT COMMITTEE

This charter (this "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Performance Sports Group Ltd. (the"**Corporation**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- the Corporation's financial statements;
- the integrity of the Corporation's internal control over financial reporting and management information systems;
- the qualifications and independence of the Corporation's external auditor;
- the performance of the Corporation's internal audit function and external auditor; and
- any other matters assigned to the Committee by the Board pursuant to this Charter or as mandated by applicable laws, rules and regulations, as well as the Toronto Stock Exchange and New York Stock Exchange listing standards.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee (the "**Members**") are not full-time employees of the Corporation and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with applicable financial reporting standards and other Applicable Regulatory Requirements. These are the responsibilities of management and the Corporation's external auditor.

2.0 Composition and Membership

(a) The Board will appoint the Members of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of the Corporation or until their successors are appointed. The Board may add or remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors, each of whom shall satisfy the applicable independence, financial literacy and experience requirements of the Corporation's Corporate Governance Guidelines, the Toronto Stock Exchange, the New York Stock Exchange, Section 10A-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") and any other applicable regulatory authority (collectively, the "**Applicable Regulatory Requirements**"). At least one Member shall qualify as an audit committee financial expert as defined under Item 407 of Regulation S-K of the Exchange Act.

(c) No Member shall simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service does not impair the ability of such Member to effectively serve on the Committee and such determination is disclosed in accordance with the Applicable Regulatory Requirements.

(d) The Board will appoint one of the Members to act as the chair of the Committee (the "**Chair**") (or if it fails to do so, the Members of the Committee shall appoint the Chair of the Committee from among its Members).

(e) The Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, from time to time as it sees fit, provided that such subcommittees are composed entirely of directors who satisfy the applicable independence standards of the Applicable Regulatory Requirements.

3.0 Meetings

(a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four times per year. Twenty-four hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, the Members in attendance may select one of their Members to act as chair of the meeting.

(c) The Committee will appoint any person in attendance at the meeting, who may, but need not, be a Member to act as the secretary of that meeting, and such person will maintain minutes of the meeting and deliberations of the Committee. The secretary of the meeting will circulate the minutes of each meeting of the Committee to the members of the Board.

(d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee.

(f) In advance of every regular meeting of the Committee, the Chair will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Corporation to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 Responsibilities

In fulfilling its duties and responsibilities hereunder, the Committee will be entitled to rely reasonably on the integrity of those persons within the Corporation and the professionals and experts (such as the

Corporation's external auditor) from whom it receives information, the accuracy of the financial and other information provided to the Committee by such persons and representations made by the Corporation's external auditor as to any services provided by such firm to the Corporation.

(a) External Auditor

(i) The Corporation's external auditor is required to report directly to the Committee;

(ii) The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(iii) The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(iv) The Committee is responsible for reviewing and approving the proposed audit scope, focus areas, timing and key decisions underlying the audit plan by the Corporation's external auditor;

(v) The Committee is also responsible for:

- monitoring and reporting to the Board with regards to the qualifications, independence and performance of the external auditor, including the lead audit partner, on an annual basis or more frequently as determined by the Committee;

- receiving and reviewing reports from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors' final report;

- reviewing, at least annually, (i) a report from the external auditor on all relationships and engagements that may reasonably be thought to bear on the independence of the auditor, and (ii) a report by the external auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues and such other matters as required by the Public Company Accounting Oversight Board. The Committee shall discuss these reports with the Corporation's external auditor and shall take appropriate action to ensure the independence of the external auditor and to address any other matters based on such reports; and

- confirming that the "lead partner," the "concurring partner" and the other "audit partner" rotation requirements under the Applicable Regulatory Requirements, including Regulation S-X, have been complied with, and

whether any rotation of the external auditor is appropriate to ensure independence; and

(vi) The Committee should meet separately at least annually with management, the person responsible for the Corporation's internal audit group and the external auditors to discuss issues and concerns warranting committee attention, including (i) any significant disagreement between management and the Corporation's external auditor or the internal audit group in connection with the preparation of the financial statements, and (ii) any audit problems or difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information. The Committee should provide sufficient opportunity for the external auditors to meet privately with its Members. The Committee should review with the external auditor any audit problems or difficulties and management's response.

(b) Pre-Approval of Audit and Non-Audit Services

The Committee is responsible for pre-approving (which may be pursuant to pre-approval policies and procedures) all audit and non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor as permitted under Applicable Regulatory Requirements and to approve all related fees and other terms of engagement.

(c) Review of Financial Statements and MD&A

The Committee is responsible for reviewing and discussing with management and the external auditor the Corporation's annual audited financial statements, management's discussion and analysis (the "**MD&A**") and annual and interim earnings press releases, as well as financial information and earnings guidance, if applicable, provided to analysts and rating agencies, before the Corporation publicly discloses this information. The Committee, if authority is so granted to it by the Board from time to time, will be responsible for reviewing and approving the Corporation's quarterly interim financial statements and related MD&A. The Committee shall also review and approve disclosures required to be included by the Corporation in periodic reports with respect to audit and non-audit services.

(d) Review of Public Disclosure of Financial Information

The Committee is responsible for:

(i) being satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures;

(ii) recommending to the Board whether the Corporation's annual audited financial statements should be included in the Corporation's annual report for filing with the SEC and timely prepare the report required by the SEC to be included in the Corporation's annual proxy statement, if applicable, and any other reports of the Committee required by any Applicable Regulatory Requirement;

(iii) reviewing and discussing with management and the Corporation's external auditor (i) major issues regarding, or significant changes in, the Corporation's accounting principles and financial statement presentations, (ii) analyses prepared by management or the Corporation's external auditor concerning

significant financial reporting issues and judgments made in connection with the preparation of the financial statements, (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation, and (iv) the type and presentation of information to be included in earnings press releases and any financial information and earnings guidance, if applicable, provided to analysts and rating agencies; and

(iv) reviewing and discussing with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons.

(e) Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(f) Hiring Policies

The Committee is responsible for reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

(g) Internal Audit Function and Internal Controls and Management Information Systems

The Committee is responsible for:

(i) reviewing, based on the recommendation of the Corporation's external auditor and the person responsible for the Corporation's internal audit group, the scope and plan of the work to be done by the internal audit group and the responsibilities, budget, audit plan, activities, organizational structure and staffing of the internal audit group as needed; and

(ii) reviewing and monitoring, in consultation with management and the Corporation's external auditor, the integrity and adequacy of the Corporation's internal controls over financial reporting, disclosure processes and management information systems and overseeing the implementation by management of such systems to ensure the performance and integrity of such systems as required by the Board.

Management, under the leadership of the Corporation's Chief Executive Officer and Chief Financial Officer, is responsible for designing, establishing and maintaining the Corporation's internal controls, disclosure processes and procedures. The Board provides oversight and is ultimately accountable and responsible for supervising the business and affairs of the Corporation, including management's responsibility for internal controls and disclosure controls and procedures. Management is also responsible for reporting any significant deficiencies in the design or operation of the Corporation's internal controls that could adversely affect the Corporation's ability to record, process,

summarize and report financial data and identify any material weakness in internal controls to the Audit Committee, as well as any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.

(h) Other Responsibilities

The Committee is also responsible for:

(i) reviewing and making recommendations to the Board on the Corporation's Corporate Disclosure Policy; and

(ii) monitoring compliance with the Code of Business Conduct and Ethics, and reviewing the reports of management concerning compliance with the Code of Business Conduct and Ethics with respect to financial, accounting and auditing matters and coordinating with the Corporation's Corporate Governance and Nominating Committee on such matters. As appropriate, the Committee shall report and make recommendations to the Board with respect to these matters.

5.0 Reporting

At the request of the chair of the Board, the Chair will report to the Board at Board meetings on the Committee's activities since the last Committee report to the Board.

6.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members.

The Committee has the sole authority:

- to engage or terminate independent counsel and other advisors as it determines necessary or advisable to carry out its duties and shall be directly responsible for overseeing the work of such advisors;
- to set and pay the compensation for any advisors employed by the Committee; and
- to communicate directly with the internal and external auditors.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Corporation.

7.0 Review of Charter and the Committee

The Committee will review and assess annually the adequacy of this Charter and the Committee's performance and recommend any proposed changes to the Board for consideration.

Approved by the Board of Directors and the Audit Committee
Performance Sports Group Ltd.
June 1, 2015