

**SCHEDULE C
INTERCREDITOR AGREEMENT**

INTERCREDITOR AGREEMENT

This **INTERCREDITOR AGREEMENT** (this “**Agreement**”), is dated as of December 1, 2009, and entered into by and among **ALLEN-VANGUARD CORPORATION** (the “**Borrower**”), **ROYAL BANK OF CANADA**, in its capacity as administrative agent under the First Lien Credit Agreement (as defined below), including its successors and assigns from time to time (the “**First Lien Agent**”), **EXPORT DEVELOPMENT CANADA** including its successors and assigns from time to time (“**EDC**”) and **CONTEGO AV LUXEMBOURG SARL**, in its capacity as administrative agent under the Second Lien Credit Agreement (as defined below), including its successors and assigns from time to time (the “**Second Lien Agent**”).

RECITALS

A. The Borrower, Contego AV Investments, LLC (“**Holdings**”), certain of Holdings’ Subsidiaries, the First Lien Agent and certain lenders are parties to that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, modified, replaced or Refinanced from time to time, the “**First Lien Credit Agreement**”), pursuant to which such lenders have agreed to make loans to the Borrower.

B. The Borrower, the Second Lien Agent and [Versa Capital Management Inc.] (“**Versa**”) are parties to that certain Note Purchase Agreement, dated as of the date hereof (as amended, restated, supplemented, modified, replaced or Refinanced from time to time, the “**Second Lien Credit Agreement**”), pursuant to which Versa has agreed to purchase certain second lien notes of the Borrower.

C. EDC has prior to the date hereof and may in the future issue performance security guarantees and/or other forms of guarantees in respect of Documentary Credits from time to time to Royal Bank of Canada and/or other Documentary Credit Issuers (collectively, as amended, restated, supplemented, modified, replaced or Refinanced from time to time, the “**EDC Agreements**”), pursuant to which EDC agrees to guarantee to Royal Bank of Canada and/or such other Documentary Credit Issuers, as applicable, the payment of amounts paid pursuant to certain Documentary Credits issued under the First Lien Credit Agreement.

D. Pursuant to (i) the First Lien Credit Agreement, Holdings and certain current and future Subsidiaries of Holdings (the “**First Lien Guarantor Subsidiaries**”) have agreed to guarantee the First Lien Obligations (as defined below), (ii) the EDC Indemnity Agreement (as defined below), Holdings and certain current and future Subsidiaries of Holdings (the “**EDC Indemnifier Subsidiaries**”) have agreed to indemnify EDC in respect of the EDC Obligations (as defined below), and (iii) the Second Lien Credit Agreement, Holdings and certain current and future Subsidiaries of Holdings (the “**Second Lien Guarantor Subsidiaries**”) have agreed to guarantee the Second Lien Obligations (as defined below).

E. The First Lien Obligations will be secured by liens on substantially all the assets of the Borrower, Holdings and the First Lien Guarantor Subsidiaries pursuant to the terms of the

First Lien Collateral Documents (as defined below) ranking senior and prior to the liens securing the Second Lien Obligations.

F. The EDC Obligations will be secured by liens on substantially all the assets of the Borrower, Holdings and the EDC Indemnifier Subsidiaries pursuant to the terms of the EDC Collateral Documents (as defined below) ranking senior and prior to the liens securing the Second Lien Obligations.

G. The liens securing the First Lien Obligations pursuant to the terms of the First Lien Collateral Documents will rank *pari passu* with the liens securing the EDC Obligations pursuant to the terms of the EDC Collateral Documents, only with respect to First Lien Revolver Obligations (as defined below), and will rank junior and subordinate to the liens securing the EDC Obligations pursuant to the terms of the EDC Collateral Documents, with respect to all First Lien Obligations other than First Lien Revolver Obligations.

H. The Second Lien Obligations will be secured by liens on substantially all the assets of the Borrower, Holdings and the Second Lien Guarantor Subsidiaries pursuant to the terms of the Second Lien Collateral Documents (as defined below) ranking junior and subordinate to the liens securing the First Lien Obligations and the liens securing the EDC Obligations.

I. The First Lien Loan Documents (as defined below), the EDC Documents (as defined below) and the Second Lien Loan Documents (as defined below) provide, among other things, that the parties thereto shall set forth in this Agreement their respective rights and remedies with respect to the Collateral.

G. In order to induce the First Lien Agent and the First Lien Claimholders (as defined below) and EDC to consent to the Grantors incurring the Second Lien Obligations and to induce the First Lien Claimholders and EDC to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrower or any other Grantor, the Second Lien Agent on behalf of the Second Lien Claimholders (as defined below) has agreed to the intercreditor and other provisions 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:

SECTION 1. DEFINITIONS.

1.1 Defined Terms. As used in the Agreement, the following terms shall have the following meanings:

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

“**Agreement**” means this Intercreditor Agreement, as amended, restated, renewed, extended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“**Bank Products**” means any of the following services or facilities extended to the Borrower by any First Lien Lender or any Affiliate of a First Lien Lender: (a) credit cards, (b) debit cards, (c) purchase cards, (d) ACH transactions or (e) cash management, including controlled disbursements, accounts or services.

“**Borrower**” has the meaning set forth in the recitals to this Agreement.

“**Business Day**” means any day other than a Saturday, Sunday, or day on which commercial banks in Ontario or New York City are authorized or required by law to close.

“**Canadian Dollars**” and “**Cdn. \$**” each mean lawful money of Canada.

“**Cap Amount**” means, as of any date of determination, (X) the sum of (a) \$[146,974,639.36]¹, plus (b) any interest, fees, attorneys fees, costs, expenses and indemnities payable on account of the principal amount under the First Lien Credit Agreement and the First Lien Loan Documents or in respect thereof, minus (c) the aggregate amount of all principal payments and prepayments of the Term Loan Facility, the Revolving Credit Facility to the extent there is an equivalent permanent reduction in the Revolver Commitment thereunder, and the Documentary Credit Facility to the extent there is an equivalent permanent reduction in the Documentary Credit Commitment thereunder made from and after the date hereof, multiplied by (Y) one hundred ten percent (110%).

“**Collateral**” means all of the assets and property of any Grantor, whether real, personal or mixed, constituting First Lien Collateral, Second Lien Collateral or EDC Collateral.

“**Comparable Second Lien Collateral Document**” means, in relation to any Collateral subject to any Lien created under a First Lien Collateral Document, the Second Lien Collateral Document which creates a Lien on the same Collateral, granted by the same Grantor.

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

¹ *Amount to equal the principal amount of the First Lien Credit Agreement at the Closing.*

“Control Agreement” means any deposit account control agreement among the First Lien Agent, the Second Lien Agent, the Borrower and any bank or other financial institution or securities intermediary at which the Borrower maintains an account.

“DIP Financing” has the meaning set forth in Section 6.2.

“Discharge of EDC Obligations” means:

(a) payment in full of the principal of, reimbursement obligations with respect to, and interest, fees, and expenses with respect to (including interest, fees, and expenses accruing (or which would, absent the commencement of an Insolvency or Liquidation Proceeding, accrue) on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, or expenses would be allowed in such Insolvency or Liquidation Proceeding), all indebtedness and obligations, absolute or contingent, matured or unmatured, including, without limitation, all indemnity obligations (other than indemnity obligations under the EDC Documents which survive the payment in full or cash collateralization of all EDC Obligations under the EDC Indemnity Agreements if the amount of such indemnity obligations are not able to be reasonably ascertained at the time of such payment in full or cash collateralization) outstanding under, secured pursuant to, or guaranteed pursuant to, the EDC Documents and constituting EDC Obligations;

(b) payment in full of all other EDC Obligations, that are due and payable or otherwise accrued and owing at or prior to the time such principal, reimbursement obligations, fees, expenses and interest are paid; and

(c) termination or expiration of all guarantees and commitments of EDC under all EDC Agreements or the EDC Obligations in connection with such EDC Agreements (including under the ECD Indemnity Agreements) shall have been fully cash collateralized.

“Discharge of First Lien Obligations” means, except to the extent otherwise expressly provided in Section 5.5:

(a) payment in full of the principal of, reimbursement obligations with respect to, and interest, fees, and expenses with respect to (including interest, fees, and expenses accruing (or which would, absent the commencement of an Insolvency or Liquidation Proceeding, accrue) on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, or expenses would be allowed in such Insolvency or Liquidation Proceeding), all indebtedness outstanding under, secured pursuant to, or guaranteed pursuant to, the First Lien Loan Documents and constituting First Lien Obligations;

(b) payment in full of all other First Lien Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal, reimbursement obligations, fees, expenses and interest are paid;

(c) termination or expiration of all commitments, if any, to extend credit that would constitute First Lien Obligations; and

(d) termination of all Documentary Credits issued under the First Lien Loan Documents and constituting First Lien Obligations to the extent that such Documentary Credits are not cash collateralized to the extent required under the First Lien Credit Agreement, or subject to a standby letter of credit on terms satisfactory to the Documentary Credit issuer.

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

“EDC Agreements” has the meaning set forth in the recitals to this Agreement and for greater certainty includes any performance security guarantee existing as at the date of this Agreement.

“EDC Indemnity Agreements” means indemnity agreements between EDC and any or all of the Borrower, Holdings and Holdings’ Subsidiaries entered into in connection with the EDC Agreements, including the indemnity agreement dated as ►, each as amended, restated, supplemented, modified or replaced from time to time.

“EDC Collateral” means all of the Collateral of any Grantor with respect to which a Lien is granted as security for any EDC Obligations.

“EDC Collateral Documents” means all security agreements and any other documents creating a lien in favour of EDC to secure the obligations under the EDC Agreements, the EDC Indemnity Agreement and each other agreements, documents and instruments providing for or evidencing any other EDC Obligations, and any other agreements, documents or instruments executed and delivered in connection with the grant, attachment and perfection of EDC’s security interests and liens arising thereunder, including, without limitation, UCC financing statements, PPSA Financing Statements, and patent, trademark and copyright filings.

“EDC Documents” means the EDC Agreements, EDC Indemnity Agreement, EDC Collateral Documents and each of the other agreements, documents, and instruments providing for or evidencing any other EDC Obligations, and any other document or instrument executed or delivered at any time in connection with any EDC Obligations, including any intercreditor or joinder agreement among holders of EDC Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed, or extended from time to time in accordance with the provisions of this Agreement.

“EDC Indemnifier Subsidiaries” has the meaning set forth in the recitals.

“EDC Obligations” means all indebtedness and obligations, absolute or contingent, matured or unmatured, outstanding under the EDC Documents, including:

(a) the principal of all obligations and all reimbursement obligations outstanding under the EDC Agreements, the EDC Indemnity Agreement and any other EDC Document; and

(b) all interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, at the rate specified in the relevant EDC Document, whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding) on indebtedness outstanding under the EDC Documents;

(c) all costs, expenses and fees payable under the EDC Documents, without duplication of the payments in clause (a) and (b) above.

“**Excess EBITDA**” means, for any Financial Quarter, an amount equal to (x) the Borrower’s Consolidated EBITDA for the twelve month period ending such Financial Quarter, minus the sum of (y) (i) the amount set forth opposite such Financial Quarter in Section 7.03(1)(a) of the First Lien Credit Agreement, plus (ii) Cdn. \$10,000,000; provided, that if such calculation results in a negative number, “Excess EBITDA” shall mean an amount equal to Cdn. \$0.00.

“**Exercise any Secured Creditor Remedies**” or “**Exercise of Secured Creditor Remedies**” means (a) the taking of any action to enforce or realize upon any Lien in respect of the Collateral, including the institution of any foreclosure proceedings or the noticing of any public or private sale or other disposition pursuant to the UCC, the PPSA, or any Insolvency Legislation (b) the exercise of any right or remedy provided to a secured creditor or otherwise on account of a Lien under the First Lien Loan Documents, the EDC Documents or the Second Lien Loan Documents (including, in either case, any right under any lockbox agreement, account control agreement, or similar agreement or arrangement), under applicable law, at equity, in an Insolvency or Liquidation Proceeding or otherwise, including the election to retain Collateral in satisfaction of a Lien (which retention of Collateral shall be considered payment in cash for purposes of the definitions of “Discharge of First Lien Obligations” and “Discharge of EDC Obligations”), (c) the taking of any action or the exercise of any right or remedy in respect of the collection on, setoff against, marshaling of, or foreclosure on the Collateral or the proceeds of Collateral, (d) the sale, lease, license, or other Disposition of all or any portion of the Collateral, by private or public sale, other Disposition or any other means permissible under applicable law, (e) the solicitation of bids from third parties to conduct the liquidation of all or a material portion of Collateral to the extent undertaken and being diligently pursued in good faith to consummate the sale of such Collateral within a commercially reasonable time, (f) the engagement or retention of sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers, or other third parties for the purposes of valuing, marketing, promoting, all or a material portion of the Collateral to the extent undertaken and being diligently pursued in good faith to consummate the sale of such Collateral within a commercially reasonable time, and (g) the exercise of any other enforcement right relating to the Collateral (including the exercise of any voting rights relating to any capital stock composing a portion of the Collateral and including any right of recoupment or setoff) whether under the First Lien Loan Documents, EDC Documents, the Second Lien Loan Documents, under the applicable law of any jurisdiction, in equity, in an Insolvency or Liquidation Proceeding, or otherwise.

“Financial Quarter” means, in respect of the Borrower, a period of approximately three consecutive months in each Financial Year ending on December 31, March 31, June 30 and September 30, as the case may be, of such year, as may be changed from time to time in accordance with the First Lien Credit Agreement.

“Financial Year” means, in respect of the Borrower, its financial year commencing on or about October 1 of each calendar year and ending on September 30 of the following calendar year, as may be changed from time to time in accordance with the First Lien Credit Agreement.

“First Lien Agent” has the meaning set forth in the preamble to this Agreement.

“First Lien Claimholders” means, at any relevant time, the holders of First Lien Obligations at that time, including the First Lien Lenders and the First Lien Agent.

“First Lien Collateral” means all of the Collateral of any Grantor with respect to which a Lien is granted as security for any First Lien Obligations.

“First Lien Collateral Documents” means the Security Documents and any other agreements, documents or instruments executed and delivered in connection with the grant, attachment and perfection of the First Lien Agent’s security interests and liens arising thereunder, including, without limitation, UCC financing statements, PPSA Financing Statements, and patent, trademark and copyright filings.

“First Lien Credit Agreement” has the meaning set forth in the recitals to this Agreement.

“First Lien Guarantor Subsidiaries” has the meaning set forth in the recitals to this Agreement.

“First Lien Lenders” means the “Lenders” under and as defined in the First Lien Credit Agreement.

“First Lien Loan Documents” means the First Lien Credit Agreement and the other Credit Documents, including Hedging Agreements entered into with a Lender Counterparty, and each of the other agreements, documents, and instruments providing for or evidencing any other First Lien Obligations, and any other document or instrument executed or delivered at any time in connection with any First Lien Obligations, including any intercreditor or joinder agreement among holders of First Lien Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed, or extended from time to time in accordance with the provisions of this Agreement.

“First Lien Obligations” means, subject to the next sentence, all obligations outstanding under the First Lien Credit Agreement and the other First Lien Loan Documents, including:

- (a) the principal of all loans outstanding under the First Lien Loan Documents;

(b) all interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, at the rate specified in the relevant First Lien Loan Document, whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding) on indebtedness outstanding under the First Lien Loan Documents;

(c) all costs and expenses set forth in Section 15.01 of the First Lien Credit Agreement, without duplication of the payments in clause (a) and (b) above;

(d) all fees outstanding under the First Lien Loan Documents; and

(e) all Hedging Agreements entered into with any Lender Counterparty;

provided, however, that no obligations which are in excess of the Cap Amount (unless such excess has been approved by the Second Lien Lenders) shall be included in First Lien Obligations.

“First Lien Revolver Obligations” means, as at any date of determination, all First Lien Obligations outstanding under the Revolving Credit Facility, provided, however, that no obligations for principal in excess of (X) US\$30,000,000, less (Y) the aggregate amount of all principal payments and prepayments of the Revolving Credit Facility to the extent there is an equivalent permanent reduction in the Revolver Commitment, shall be included in First Lien Revolver Obligations.

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

“Grantors” means the Borrower, any guarantor of the First Lien Obligations or the Second Lien Obligations or any guarantor or indemnifier of the EDC Obligations, and each other person that has or may from time to time hereafter execute and deliver a First Lien Collateral Document, a Second Lien Collateral Document, or an EDC Collateral Document as a “debtor”, “guarantor”, “obligor”, “indemnitor” or “pledgor” (or the equivalent thereof).

“Guarantee” means a guarantee or indemnity of any Grantor in respect of the obligations of the Borrower under the First Lien Loan Documents, the EDC Documents or the Second Lien Loan Documents, as the case may be.

“Hedging Agreements” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or

similar plan providing for payments to current or former directors, officers, employees or consultants (in their capacities as such) of Holdings or any of its Subsidiaries shall be a Hedging Agreement.

“Hedging Obligation” of any Person means any obligation of such Person pursuant to any Hedging Agreements.

“Holdings” has the meaning set forth in the recitals of this Agreement.

“Insolvency Legislation” means the U.S. Bankruptcy Code, the Bankruptcy and Insolvency Act (Canada), and the Companies’ Creditors Arrangements Act (Canada), each as amended, modified, succeeded or replaced from time to time, or any other law (whether foreign or otherwise) relating to bankruptcy, insolvency, liquidation, receivership, winding up, reorganization, arrangement, adjustment, composition or relief of debtors and any similar statute or law in any jurisdiction.

“Insolvency or Liquidation Proceeding” means:

(a) any voluntary or involuntary case or proceeding under any Insolvency Legislation with respect to any Grantor;

(b) any other voluntary or involuntary insolvency, reorganization, 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 its assets;

(c) any liquidation, dissolution, reorganization, or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or

(d) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of any Grantor.

“Lender Counterparty” means the First Lien Agent and each First Lien Lender or any Affiliate of a First Lien Lender counterparty to a Hedging Agreement (including any Person who is a First Lien Lender (and any Affiliate thereof) on the date such Hedging Agreement was entered into but subsequently, after entering into a Hedging Agreement, ceases to be a First Lien Lender) including, without limitation, each such Affiliate that enters into a joinder agreement with the First Lien Agent.

“Lien” means any lien, mortgage, pledge, assignment, security interest, charge, or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust, or other preferential arrangement having the practical effect of any of the foregoing.

“New Agent” has the meaning set forth in Section 5.5.

“New First Lien Debt Notice” has the meaning set forth in Section 5.5.

“**Person**” or “**person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Pledged Collateral**” has the meaning set forth in Section 5.4.

“**PPSA**” means the *Personal Property Security Act* (Ontario) and the regulations thereunder, as from time to time in effect, provided, however, if attachment, perfection or priority of the Administrative Agent’s security interests in any Collateral are governed by the personal property security laws of any Canadian jurisdiction other than Ontario, “PPSA” shall mean those personal property security laws in such other jurisdiction for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

“**Recovery**” has the meaning set forth in Section 6.7.

“**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, whether with the same or different lenders, arrangers and/or agents. “**Refinanced**” and “**Refinancing**” shall have correlative meanings.

“**Release Notice**” has the meaning set forth in Section 5.1(c).

“**Sale and Leaseback Transaction**” means any direct or indirect arrangement with any Person providing for the leasing to Holdings or any of its Subsidiaries of any property, whether owned by Holdings or any of its Subsidiaries as of the Closing Date or later acquired, which has been or is to be sold or transferred by Holdings or any of its Subsidiaries to such Person or to any other Person from whom funds have been, or are to be, advanced by such Person on the security of such property, in each case, as permitted by the First Lien Loan Documents.

“**Second Lien Agent**” has the meaning set forth in the preamble to this Agreement.

“**Second Lien Claimholders**” means, at any relevant time, the holders of Second Lien Obligations at that time, including the Second Lien Lenders and the Second Lien Agent.

“**Second Lien Collateral**” means all of the Collateral of any Grantor with respect to which a Lien is granted as security for any Second Lien Obligations.

“**Second Lien Collateral Documents**” means the Security Documents (as defined in the Second Lien Credit Agreement) and any other agreements, documents or instruments executed and delivered in connection with the grant, attachment and perfection of the Second Lien Agent’s security interests and liens arising thereunder, including, without limitation, UCC financing statements, PPSA Financing Statements, and patent, trademark and copyright filings.

“**Second Lien Credit Agreement**” has the meaning set forth in the recitals to this Agreement.

“**Second Lien Guarantor Subsidiaries**” has the meaning set forth in the recitals to this Agreement.

“**Second Lien Lenders**” means the “Lenders” under and as defined in the Second Lien Credit Agreement.

“**Second Lien Loan Documents**” means the Second Lien Credit Agreement and the other Credit Documents (as defined in the Second Lien Credit Agreement) and each of the other agreements, documents, and instruments providing for or evidencing any other Second Lien Obligations, and any other document or instrument executed or delivered at any time in connection with any Second Lien Obligations, in each case as each may be amended, restated, supplemented, modified, renewed, or extended from time to time in accordance with the provisions of this Agreement.

“**Second Lien Obligations**” means all “Obligations” as that term is defined in the Second Lien Credit Agreement.

“**Standstill Period**” has the meaning set forth in Section 3(a)(i).

“**Subsidiary**” means, at any time, as to any Person, any corporation, company or other Person, if at such time the first mentioned Person owns, directly or indirectly, securities or other ownership interests in such corporation, company or other Person having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such corporation, company or other Person.

“**UCC**” means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

“**U.S. Bankruptcy Code**” means Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

1.2 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.” The term “or” shall be construed to have, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” Any term used in this Agreement and not defined in this Agreement shall have the meaning set forth in the First Lien Credit Agreement. 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;

(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; and

(e) the words "asset" and "property" shall be construed to have 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.

SECTION 2. LIEN PRIORITIES.

2.1 Relative Priorities. Notwithstanding the date, time, method, manner, or order of grant, attachment, or perfection of any Liens securing the Second Lien Obligations granted with respect to the Collateral or of any Liens securing the First Lien Obligations or the EDC Obligations granted with respect to the Collateral and notwithstanding any contrary provision of the UCC, the PPSA, or any other applicable law or the Second Lien Loan Documents or any defect or deficiencies in, or failure to perfect, the Liens securing the First Lien Obligations or the EDC Obligations, or any other circumstance whatsoever, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby agrees that:

(a) any Lien with respect to the Collateral securing any First Lien Obligations now or hereafter held by or on behalf of, or created for the benefit of, the First Lien Agent or any First Lien 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 any Lien with respect to the Collateral securing any Second Lien Obligations;

(b) any Lien with respect to the Collateral securing any EDC Obligations now or hereafter held by or on behalf of, or created for the benefit of EDC 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 any Lien with respect to the Collateral securing any Second Lien Obligations; and

(c) any Lien with respect to the Collateral securing any Second Lien Obligations now or hereafter held by or on behalf of, or created for the benefit of, the Second Lien Agent, any Second Lien Claimholders or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation, or otherwise, shall be junior and subordinate in all respects to all Liens with respect to the Collateral securing any First Lien Obligations and EDC Obligations.

All Liens with respect to the Collateral securing any First Lien Obligations and EDC Obligations shall be and remain senior in all respects and prior to all Liens with respect to the Collateral securing any Second Lien Obligations for all purposes, whether or not such Liens securing any First Lien Obligations or EDC Obligations are subordinated to any Lien securing any other obligation of any Grantor or any other person.

All Liens with respect to the Collateral securing any First Lien Obligations shall, with respect only to the First Lien Revolver Obligations, rank, be and remain *pari passu* in all respects to all Liens with respect to the Collateral securing any EDC Obligations for all purposes, whether or not such Liens securing any First Lien Obligations or EDC Obligations are subordinated to any Lien securing any other obligation of any Grantor or any other person. All Liens with respect to the Collateral securing any First Lien Obligations shall, with respect to First Lien Obligations other than First Lien Revolver Obligations, rank, be and remain junior and subordinate in all respects to all Liens with respect to the Collateral securing any EDC Obligations for all purposes, whether or not such Liens securing any First Lien Obligations or EDC Obligations are subordinated to any Lien securing any other obligation of any Grantor or any other person.

2.2 Prohibition on Contesting Liens. Each of the Second Lien Agent, for itself and on behalf of each Second Lien Claimholder, and the First Lien Agent, for itself and on behalf of each First Lien Claimholder, and EDC agrees that it will not (and hereby waives any right to), directly or indirectly, 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 First Lien Claimholders in the First Lien Collateral, by EDC in respect of the EDC Collateral, or by or on behalf of any of the Second Lien Claimholders in the Second Lien Collateral, as the case may be, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of the First Lien Agent, any First Lien Claimholder, EDC, the Second Lien Agent or any Second Lien Claimholder to enforce the terms of this Agreement, including the provisions of this Agreement relating to the relative priorities of the Liens securing the First Lien Obligations, the EDC Obligations and the Second Lien Obligations as provided in Sections 2.1 and 3.

2.3 No New Liens. So long as the Discharge of First Lien Obligations and the Discharge of EDC Obligations have not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, the parties hereto agree that the Borrower shall not, and shall not permit any other Grantor to:

(a) grant or permit any additional Liens on any asset or property to secure any Second Lien Obligation unless it has granted or concurrently grants a Lien on such asset or property to secure the First Lien Obligations and the EDC Obligations; or

(b) grant or permit any additional Liens on any asset or property to secure any First Lien Obligations unless it has granted or concurrently grants a Lien on such asset or property to secure the Second Lien Obligations and the EDC Obligations.

(c) grant or permit any additional Liens on any asset or property to secure any EDC Obligations unless it has granted or concurrently grants a Lien on such asset or property to secure the First Lien Obligations and the Second Lien Obligations.

To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Lien Agent or the First Lien Claimholders or EDC, the Second Lien Agent, on behalf of Second Lien Claimholders, agrees 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 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements. The parties hereto agree that it is their intention that the First Lien Collateral, the Second Lien Collateral and the EDC Collateral be identical. In furtherance of the foregoing and of Section 8.9, the parties hereto agree, subject to the other provisions of this Agreement:

(a) upon request by EDC, the First Lien Agent or the Second Lien Agent, to cooperate in good faith from time to time in order to determine the specific items included in the EDC, Lien Collateral, First Lien Collateral and the Second Lien Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the EDC Documents, the First Lien Loan Documents and the Second Lien Loan Documents;

(b) that the documents and agreements creating or evidencing the First Lien Collateral and the Second Lien Collateral and Guarantees for the First Lien Obligations and the Second Lien Obligations, subject to Section 5.3(d), shall be in all material respects the same forms of documents other than with respect to the first lien and the second lien nature of any obligations thereunder; and

(c) upon reasonable request by the Second Lien Agent after the Discharge of First Lien Obligations, the First Lien Agent will provide written notice thereof pursuant to the applicable Control Agreement.

SECTION 3. EXERCISE OF REMEDIES.

(a) Until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, the Second Lien Agent and the Second Lien Claimholders:

(i) will not exercise or seek to exercise any rights or remedies with respect to any Collateral (including any Exercise of Secured Creditor Remedies); provided, however, that the Second Lien Agent may Exercise any Secured Creditor Remedies after the passage of a period of at least 150 days has elapsed since the date on which the First Lien Agent and EDC received notice from the Second Lien Agent of a declaration of an Event of Default (the "**Standstill Period**") (it being understood that neither Second Lien Agent nor any Second Lien Claimholder shall be entitled to retain any proceeds thereof unless otherwise expressly permitted herein); provided, further,

however, that notwithstanding anything in the Agreement to the contrary other than as set forth in Sections 3(c) or 6.5(b), the Second Lien Agent or any Second Lien Claimholder shall not exercise any rights or remedies with respect to the Collateral if, notwithstanding the expiration of the Standstill Period, the First Lien Agent or First Lien Claimholders or EDC shall have taken all of the following actions prior to the expiration of the Standstill Period, (x) provided the Second Lien Agent notice of an Event of Default under the First Lien Credit Agreement or notice of default under the EDC Documents, as the case may be, (y) accelerated the First Lien Obligations or EDC Obligations, as the case may be, and (z) commenced and be diligently pursuing any Exercise of Secured Credit Remedies with respect to all or any material portion of the Collateral; and;

(ii) will not contest, protest, or object to any Exercise of Secured Creditor Remedies by the First Lien Agent or any First Lien Claimholder under the First Lien Loan Documents or otherwise or EDC under the EDC Documents and will have no right to direct the First Lien Agent or EDC to Exercise any Secured Creditor Remedies or take any other action under the First Lien Loan Documents or the EDC Documents; and

(iii) subject to their rights under clause (a)(i) above and except as may be permitted in Section 3.1(c), will not object to the forbearance by the First Lien Agent or the First Lien Claimholders or EDC from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Collateral.

(b) Until the Discharge of First Lien Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, but subject to the first proviso to Section 3(a)(i), the First Lien Agent and the First Lien Claimholders shall have the right, to the exclusion of the Second Lien Agent and Second Lien Claimholders, to enforce rights, Exercise any Secured Creditor Remedies, and make determinations regarding the release, Disposition, or restrictions with respect to the Collateral without any consultation with or the consent of EDC, the Second Lien Agent or any Second Lien Claimholder; provided that, except to the extent necessary to meet the requirements of a Discharge of First Lien Obligations and a Discharge of EDC Obligations, the Lien securing the Second Lien Obligations shall attach to the proceeds of such Collateral released or Disposed of, in each case, subject to the Lien priorities described in Section 2. The First Lien Agent shall provide prompt notice to EDC and the Second Lien Agent of a Default or an Event of Default under the First Lien Loan Documents to the extent that notice of such Default or Event of Default is being provided by the First Lien Agent to any Grantor (provided that the failure of the First Lien Agent to so notify EDC and the Second Lien Agent shall result in no liability to the First Lien Agent and shall in no way affect the subordination provisions set forth herein). In connection with any Exercise of Secured Creditor Remedies, the First Lien Agent and the First Lien Claimholders may enforce the provisions of the First Lien Loan 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 Collateral upon foreclosure, 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, PPSA, and of a secured creditor under any Insolvency

Legislation of any applicable jurisdiction. Nothing in this Agreement shall preclude or prevent EDC from enforcing any of its rights or taking any action to Exercise any Secured Creditor Remedies, provided that EDC shall provide prompt notice to the First Lien Agent and the Second Lien Agent of a default under the EDC Documents to the extent that notice of such default is being provided by EDC to any Grantor (provided that the failure of EDC to so notify the First Lien Agent and the Second Lien Agent shall result in no liability to EDC and shall in no way affect the subordination provisions set forth herein) and EDC will consult with the First Lien Creditor in the Exercise of any Secured Creditor Remedies.

(c) Notwithstanding anything to the contrary in this Section 3, the Second Lien Agent and any Second Lien Claimholder may:

(i) if an Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, file a claim or statement of interest with respect to the Second Lien Obligations;

(ii) take any action (not adverse to the priority status of the Liens on the Collateral securing the First Lien Obligations and the EDC Obligations, or the rights of First Lien Agent or any of the First Lien Claimholders or EDC to Exercise any Secured Creditor Remedies) in order to create, preserve, perfect or protect its Lien on the Collateral;

(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 Second Lien Claimholders, including any claims secured by the Collateral, if any, in each case in a manner not inconsistent with this Agreement;

(iv) vote on or object to any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, not inconsistent with, the terms of this Agreement, with respect to the Second Lien Obligations and the Collateral;

(v) subject to the provisions of Section 6, exercise any rights or remedies as an equityholder or unsecured creditor of Holdings or any of its Subsidiaries;

(vi) seek to enforce any of the terms of the Second Lien Credit Agreement (other than terms with respect to payment);

(vii) join (but not exercise any control with respect to) any judicial foreclosure proceeding or other judicial lien enforcement proceeding with respect to the Collateral initiated by First Lien Agent or EDC to the extent that any such action could not reasonably be expected, in any respect, to restrain, hinder, limit, delay for any period or otherwise interfere with the Exercise of Secured Creditor Remedies by the First Lien Agent or EDC (it being understood that neither Second Lien Agent nor any Second Lien

Claimholder shall be entitled to receive any proceeds thereof unless otherwise expressly permitted herein); and

(viii) Exercise any Secured Creditor Remedies (x) after the termination of the Standstill Period to the extent specifically permitted by Section 3(a)(i), or (y) with the consent of the First Lien Agent and EDC.

(d) The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that it will not take or retain any Collateral or any proceeds of Collateral in connection with any Exercise of Secured Creditor Remedies in violation of this Agreement, and that any such Collateral or proceeds so taken or retained will be subject to Section 4.2.

(e) Without limiting the generality of the foregoing, unless and until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred, except as expressly provided in Sections 3(a), 3(c), and 6.5(b), the sole right of the Second Lien Agent and the Second Lien Claimholders with respect to the Collateral is to hold a Lien on the Collateral pursuant to the Second Lien 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 First Lien Obligations and the Discharge of EDC Obligations have occurred.

(f) Subject to Sections 3(a), 3(c), and 6.5(b), the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, hereby:

(i) agrees that the Second Lien Agent and the Second Lien Claimholders will not take any action that would restrain, hinder, limit, delay, or otherwise interfere with any Exercise of Secured Creditor Remedies by First Lien Agent or any First Lien Claimholder, or EDC or that is otherwise prohibited hereunder, including any Disposition of the Collateral, whether by foreclosure or otherwise;

(ii) waives any and all rights it or the Second Lien Claimholders may have as a junior lien creditor or otherwise to object to the manner in which the First Lien Agent or the First Lien Claimholders or EDC seek to enforce or collect the First Lien Obligations or the EDC Obligations or the Liens securing the First Lien Obligations or EDC Obligations granted in any of the First Lien Collateral or EDC Collateral undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the First Lien Agent or First Lien Claimholders or EDC is adverse to the interest of the Second Lien Claimholders; and

(iii) acknowledges and agrees that no covenant, agreement or restriction contained in the Second Lien Collateral Documents or any other Second Lien Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the First Lien Agent or the First Lien Claimholders with respect to the Collateral as set forth in this Agreement and the First Lien Credit Documents or EDC with respect to the Collateral as set forth in this Agreement and the EDC Documents.

(g) Except as specifically restricted by this Agreement and except to the extent that such exercise is intended to, or will have the effect of, hindering, delaying, or frustrating the rights and remedies afforded to the First Lien Agent or the First Lien Claimholders or EDC under this Agreement, the Second Lien Agent and the Second Lien Claimholders may file any pleadings, motions, or objections which assert rights available to unsecured creditors of any Grantor arising under any Insolvency or Liquidation Proceeding or, subject to the provisions of Section 6, exercise any other rights or remedies of unsecured creditors against any Grantor that has granted Liens to secure the Second Lien Obligations in accordance with the terms of the Second Lien Loan Documents and applicable law; provided that in the event that the Second Lien Agent or any Second Lien Claimholder becomes a judgment Lien creditor in respect of Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Second Lien Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Lien Obligations and the EDC Obligations) as the other Liens securing the Second Lien Obligations are subject to this Agreement.

SECTION 4. PAYMENTS.

4.1 Application of Proceeds. Unless and until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, any Collateral or proceeds thereof received in connection with any Exercise of Secured Creditor Remedies by the First Lien Agent or First Lien Claimholders or EDC, shall be applied by the First Lien Agent or EDC, as applicable, firstly, to the First Lien Revolver Obligations and the EDC Obligations on a *pari passu* basis until both are indefeasibly paid in full (or, in the case of any indemnification or contingent obligations under the EDC Indemnity Agreements or continued permitted revolvment of available Revolver Commitment under the Revolving Credit Facility, cash collateral equal to the amount of such available Revolver Commitment or indemnification or contingent obligations under the EDC Indemnity Agreements is provided to the First Lien Agent or EDC, as the case may be), and secondly, to the First Lien Obligations other than the First Lien Revolver Obligations, and any remaining proceeds shall be applied in such order as specified in the relevant First Lien Loan Documents or EDC Documents. Upon the Discharge of First Lien Obligations and the Discharge of EDC Obligations, each of the First Lien Agent or EDC (as the case may be) shall promptly deliver to the Second Lien Agent any Collateral and proceeds of Collateral held by it 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 Second Lien Agent to the Second Lien Obligations in such order as specified in the Second Lien Collateral Documents.

4.2 Payments Over. Unless and until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, any Collateral or proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3 or the proviso in Section 3(g)) received by the Second Lien Agent or any Second Lien Claimholder shall be segregated and held in trust and promptly paid over to the First Lien Agent for the benefit of the First Lien Claimholders and EDC in the same form as received, with

any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The First Lien Agent is hereby authorized to make any such endorsements as agent for the Second Lien Agent or any such Second Lien Claimholders. This authorization is coupled with an interest and is irrevocable until the Discharge of First Lien Obligations and the Discharge of EDC Obligations.

4.3 Permitted Second Lien Payments. Notwithstanding anything to the contrary contained in Section 4.2 (but subject to the below proviso), the Second Lien Agent and any Second Lien Claimholder shall not be entitled to receive any cash payments from the Grantors in their capacity as Second Lien Agent and Second Lien Claimholder, respectively, except the following:

(a) Commencing on, and including, the Financial Quarter ending June 30, 2011 and each Financial Quarter thereafter, cash payments in an amount equal to the accrued interest payments then due and owing under the Second Lien Credit Agreement and accrued interest payments from that point forth; provided, that payments with respect to any Financial Quarter shall be limited to the Excess EBITDA for such Financial Quarter and, provided, further, that for purposes of clarity, accrued interest payments shall not include any interest payments that have been capitalized and added to the principal amount of any Second Lien Obligations.

(b) Payments in an amount equal to all reasonable out-of-pocket expenses incurred by the Second Lien Agent, including the fees, expenses, charges and disbursements of counsel for the Second Lien Agent, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the Second Lien Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof, or in connection with the transactions contemplated hereby or thereby.

SECTION 5. RELEASES; DISPOSITIONS; OTHER AGREEMENTS.

5.1 Releases.

(a) The First Lien Agent, on behalf of the First Lien Claimholders, shall have the exclusive right to make determinations regarding the release or Disposition of any Collateral pursuant to the terms of the First Lien Loan Documents and in accordance with the provisions of this Agreement, in each case without any consultation with, consent of or notice to EDC or the Second Lien Agent or any Second Lien Claimholder except as otherwise required by this Agreement.

(b) If, in connection with the Exercise of Secured Creditor Remedies by the First Lien Agent as provided for in Section 3 (with the proceeds thereof being applied in accordance with Section 4.1), the First Lien Agent, for itself or on behalf of any of the First Lien Claimholders, releases any of its Liens on any part of the Collateral or releases any Grantor from its obligations under its Guarantee or other obligations in respect of the First Lien Obligations, then the Liens, if any, of EDC and the Second Lien Agent, for itself or for the benefit of the Second Lien Claimholders, on such Collateral, and the obligations of such Grantor under its Guarantee or otherwise in respect of the Second Lien Obligations, shall be automatically,

unconditionally, and simultaneously released. EDC and the Second Lien Agent, for itself or on behalf of any such Second Lien Claimholders, promptly shall execute and deliver to the First Lien Agent or such Grantor such termination or amendment statements, releases, and other documents as the First Lien Agent or such Grantor may reasonably request to effectively confirm such release.

(c) If, in connection with any Disposition of any Collateral (i) either (A) permitted under the terms of the First Lien Loan Documents as in effect as of the date hereof, or (B) consented to by the First Lien Claimholders, and (ii) either (A) permitted under the Second Lien Loan Documents or the EDC Documents, as the case may be, as in effect as of the date hereof, or (B) consented to by the First Lien Claimholders, after the occurrence and during the continuance of any Event of Default (with the proceeds thereof being applied to permanently reduce (or cash collateralize any indemnity, contingent or reimbursement obligation under any EDC Indemnity Agreement that is not fully cash collateralized) a portion of the First Lien Obligations and EDC Obligations in accordance with their respective priorities under this Agreement) the First Lien Agent, for itself or on behalf of any of the First Lien Claimholders, releases any of its Liens on any part of the Collateral, or releases any Grantor from its obligations under its Guarantee or other obligations in respect of the First Lien Obligations, in each case other than in connection with the Discharge of First Lien Obligations, the Liens, if any, of EDC and the Second Lien Agent, for itself or for the benefit of the Second Lien Claimholders, on such Collateral, and the obligations of such Grantor under its Guarantee or otherwise in respect of the EDC Obligations or the Second Lien Obligations, shall be automatically, unconditionally and simultaneously released. EDC and the Second Lien Agent, for itself or on behalf of any such Second Lien Claimholders, promptly shall execute and deliver to the First Lien Agent or such Grantor such termination or amendment statements, releases, and other documents as the First Lien Agent or such Grantor may reasonably request to effectively confirm such release.

(d) Until the Discharge of First Lien Obligations and the Discharge of EDC Obligations occur, the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, hereby irrevocably constitutes and appoints the First Lien Agent and any officer or agent of the First Lien 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 Second Lien Agent or such holder or in the First Lien Agent's own name, from time to time in the First Lien Agent's discretion, acting reasonably, for the purpose of carrying out the terms of this Section 5.1, 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 5.1, including any endorsements or other instruments of transfer or release.

(e) Until the Discharge of First Lien Obligations and the Discharge of EDC Obligations occur, to the extent that EDC or the First Lien Agent or the First Lien Claimholders (i) have released any Lien on Collateral or any Grantor from its obligation under its Guarantee or otherwise in respect of the First Lien Obligations or the EDC Obligations, and any such Liens, Guarantee or obligations are later reinstated, or (ii) obtain any new Liens or additional Guarantees from any Grantor, then the Second Lien Agent, for itself and for the Second Lien Claimholders, shall be granted a Lien on any such Collateral, subject to the terms (including the

lien subordination provisions) of this Agreement, and an additional Guarantee, as the case may be.

5.2 Insurance. Unless and until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred:

(a) (i) the First Lien Agent and the First Lien Claimholders shall have the sole and exclusive right, subject to the rights of the Grantors under the First Lien Loan Documents, to adjust settlement for any insurance policy covering the 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 the Collateral; and (ii) 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 the Collateral shall be paid, subject to the rights of the Grantors under the First Lien Loan Documents and the Grantors under the EDC Documents, first, in accordance with the priorities set forth in this Agreement, to the First Lien Agent for the benefit of the First Lien Claimholders pursuant to the terms of the First Lien Loan Documents (including for purposes of cash collateralization of Bank Products and letters of credit) and EDC pursuant to the terms of the EDC Documents (including for purposes of cash collateralization of any EDC Obligations), second, to the extent no First Lien Obligations or EDC Obligations are outstanding, and subject to the rights of the Grantors under the Second Lien Loan Documents, to the Second Lien Agent for the benefit of the Second Lien Claimholders to the extent required under the Second Lien Loan Documents, and third, to the extent no First Lien Obligations, EDC Obligations or Second Lien 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

(b) if the Second Lien Agent or any Second Lien Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Section 5.2, it shall pay such proceeds over to the First Lien Agent in accordance with the terms of Section 4.2.

5.3 Amendments to First Lien Loan Documents and Second Lien Loan Documents.

(a) The First Lien Loan Documents may be amended, supplemented, or otherwise modified in accordance with their terms and the First Lien Credit Agreement may be Refinanced, in each case without notice to, or the consent of, the Second Lien Agent or the Second Lien Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that the holders of such Refinancing debt bind themselves in writing addressed to the Second Lien Agent for the benefit of itself and the Second Lien Claimholders to the terms of this Agreement; provided further, however, that any such amendment, supplement, modification or Refinancing shall not:

- (i) contravene the provisions of this Agreement;
- (ii) increase the sum of (i) the aggregate principal amount of loans and commitments outstanding under the First Lien Credit Agreement; plus (ii) all other credit accommodations, including the aggregate face amount of letters of credit, under the First

Lien Loan Documents (which, for the avoidance of doubt, shall not include Hedging Agreements), to an amount that would exceed the Cap Amount;

(iii) increase the "Applicable Margin" or similar component of the interest rate by more than 2% per annum (excluding increases resulting from the accrual of interest at the default rate);

(iv) extend the scheduled final maturity of the First Lien Credit Agreement or any Refinancing thereof beyond the scheduled maturity of the Second Lien Credit Agreement;

(v) increase materially the obligations of the obligor thereunder or to confer any additional material rights on the lenders under the First Lien Credit Agreement (or a representative on their behalf) which would be adverse to any Credit Party or Second Lien Lenders; or

(vi) modify or add any covenant or event of default under the First Lien Loan Documents which directly restricts one or more Obligors from incurring debt or making payments under the Second Lien Loan Documents which would otherwise be permitted under the First Lien Loan Documents.

(b) Without the prior written consent of the First Lien Agent, no Second Lien Loan Document may be Refinanced, amended, supplemented or otherwise modified or entered into to the extent such Refinancing, amendment, supplement, or modification, or the terms of any new Second Lien Loan Document, would:

(i) contravene the provisions of this Agreement;

(ii) increase the then-outstanding principal amount of the Second Lien Obligations in excess of the amount permitted under the First Lien Credit Agreement;

(iii) increase the "Applicable Margin" or similar component of any interest rate by more than 2% per annum (excluding increases resulting from the accrual of interest at the default rate);

(iv) change (to earlier dates) any dates upon which payments of principal or interest are due thereon;

(v) change any financial covenant (or any definition pertaining thereto) in a manner adverse to the credit parties thereunder (it being understood that any waiver of a default or event of default arising from the failure to comply with any such financial covenant, in and of itself, shall not be deemed to be adverse to the credit parties);

(vi) change any default or event of default thereunder in a manner adverse to the credit parties thereunder (it being understood that any waiver of any such

default or event of default, in and of itself, shall not be deemed to be adverse to the credit parties);

(vii) change the redemption, prepayment, or defeasance provisions thereof;

(viii) increase materially the obligations of the obligor thereunder or to confer any additional material rights on the lenders under the Second Lien Credit Agreement (or a representative on their behalf) which would be adverse to any Credit Party or First Lien Lenders; or

(ix) change any collateral therefor (other than to release such collateral).

(c) The Second Lien Credit Agreement may be Refinanced to the extent the terms and conditions of such Refinancing debt do not conflict with the requirements of Section 5.3(b), the average life to maturity thereof is greater than or equal to that of the Second Lien Credit Agreement and the holders of such Refinancing debt bind themselves in a writing addressed to the First Lien Agent, for the benefit of itself and the First Lien Claimholders, and EDC to the terms of this Agreement.

(d) The Borrower agrees that any promissory note evidencing the Second Lien Obligations and any Second Lien Collateral Document shall at all times include the following language (or language to similar effect approved by the First Lien Agent and EDC):

“Notwithstanding anything herein to the contrary, the lien and security interest [securing this promissory note][granted to the Second Lien Collateral Agent pursuant to this Agreement], the exercise of any right or remedy with respect thereto, and certain of the rights of the [holder hereof][Second Lien Collateral Agent hereunder] are subject to the provisions of the Intercreditor Agreement dated as of [] (as amended, restated, supplemented or otherwise modified from time to time, the “**Intercreditor Agreement**”), among First Lien Lender, as First Lien Agent, Second Lien Lender, as Second Lien Agent, EDC and certain other persons party or that may become party thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this [promissory note][Agreement], the terms of the Intercreditor Agreement shall govern and control.”

In addition, the Borrower agrees that each Second Lien Collateral Document covering any Collateral shall contain such language as the First Lien Agent or EDC may reasonably request to reflect the subordination of such Second Lien Collateral Document to the First Lien Collateral Document and EDC Collateral Document covering such Collateral.

(e) In the event that the First Lien Agent or the First Lien Claimholders and the relevant Grantor amend the First Lien Credit Agreement to add a new covenant or a new Event of Default thereto, the Second Lien Credit Agreement shall be amended in the same manner without the consent of the First Lien Agent or the First Lien Claimholders and without any action by the Second Lien Agent or any Grantor. In the event that the First Lien Agent or the First Lien Claimholders and the relevant Grantor amend any covenant in the First Lien Credit Agreement in a manner that makes such covenant more restrictive to the credit parties, then the comparable covenant in the Second Lien Credit Agreement shall be amended in the same manner without the consent of the First Lien Agent or the First Lien Claimholders and without any action by the Second Lien Agent or any Grantor; provided that the resulting amendment to the Second Lien Credit Agreement will maintain the same proportionate difference between dollar amounts or ratios, as the case may be, in the relevant covenant in the Second Lien Credit Agreement and those in the corresponding covenant in the First Lien Credit Agreement that existed prior to such amendment. In the event that the First Lien Agent or the First Lien Claimholders and the relevant Grantor amend any Event of Default in the First Lien Credit Agreement in a manner that makes any such Event of Default more restrictive to the credit parties, then the comparable Event of Default in the Second Lien Credit Agreement shall be amended in the same manner without the consent of the First Lien Agent or the First Lien Claimholders and without any action by the Second Lien Agent or any Grantor; provided that the resulting amendment to the Second Lien Credit Agreement will maintain the difference, if any, between dollar amounts in the relevant Event of Default in the Second Lien Credit Agreement and those in the corresponding Event of Default in the First Lien Credit Agreement that existed prior to such amendment.

5.4 Bailee for Perfection.

(a) The First Lien Agent, EDC and the Second Lien Agent each agree 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 other applicable law (such Collateral being the “**Pledged Collateral**”), as bailee and as a non-fiduciary agent for the Second Lien Agent, EDC or the First Lien Agent, as applicable (such bailment and agency being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2), 9-313(c), 9-104, 9-105, 9-106, and 9-107 of the UCC), solely for the purpose of perfecting the security interest granted under the Second Lien Loan Documents, the EDC Documents or the First Lien Loan Documents, as applicable, subject to the terms and conditions of this Section 5.4. Unless and until the Discharge of First Lien Obligations and the Discharge of EDC Obligations, the Second Lien Agent agrees to promptly notify the First Lien Agent and EDC of any Pledged Collateral held by it or by any Second Lien Claimholders, and at any time prior to the Discharge of First Lien Obligations and the Discharge of EDC Obligations, the Second Lien Agent agrees to immediately deliver to the First Lien Agent any such Pledged Collateral held by it or by any Second Lien Claimholders, together with any necessary endorsements (or otherwise allow the First Lien Agent to obtain control of such Pledged Collateral). The First Lien Agent hereby agrees that upon the Discharge of First Lien Obligations and Discharge of EDC Obligations, upon the written request of Second Lien Agent, to the extent that the applicable Control Agreement is in full force and effect and has not been terminated, First Lien Agent shall continue to act as such a bailee and non-fiduciary agent for the

Second Lien Agent (solely for the purpose of perfecting the security interest granted under the Second Lien Loan Documents and at the expense of Second Lien Agent) with respect to the account that is the subject of such Control Agreement, until the earlier to occur of (x) 30 days after the date when the Discharge of First Lien Obligations and Discharge of EDC Obligations have occurred, and (y) the date when a control agreement is executed in favor of Second Lien Agent with respect to such account.

(b) The First Lien Agent shall have no obligation whatsoever to EDC, the Second Lien Agent or any Second Lien 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 5.4. The Second Lien Agent shall have no obligation whatsoever to EDC, the First Lien Agent or any First Lien 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 5.4. The duties or responsibilities of the First Lien Agent under this Section 5.4 shall be limited solely to holding or controlling the Pledged Collateral as bailee and agent in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of First Lien Obligations and Discharge of EDC Obligations as provided in paragraph (d) of this Section 5.4. The duties or responsibilities of the Second Lien Agent under this Section 5.4 shall be limited solely to holding or controlling the Pledged Collateral as bailee and agent in accordance with this Section 5.4 and delivering any Pledged Collateral held by it prior to a Discharge of First Lien Obligations and Discharge of EDC Obligations in accordance with paragraph (a) of this Section 5.4.

(c) The First Lien Agent acting pursuant to this Section 5.4 shall not have by reason of the First Lien Collateral Documents, the EDC Collateral Documents, the Second Lien Collateral Documents, this Agreement or any other document a fiduciary relationship in respect of the First Lien Claimholders, EDC, Second Lien Agent or any Second Lien Claimholder. The Second Lien Agent acting pursuant to this Section 5.4 shall not have by reason of the First Lien Collateral Documents, the EDC Collateral Documents, the Second Lien Collateral Documents, this Agreement or any other document a fiduciary relationship in respect of EDC, the First Lien Agent or First Lien Claimholder. Notwithstanding the foregoing, nothing in this Agreement shall limit the liability of (i) the First Lien Agent as to EDC, the Second Lien Agent and the Second Lien Claimholders, or (ii) the Second Lien Agent as to EDC, the First Lien Agent and the First Lien Claimholders in the case of fraud, gross negligence or willful misconduct.

(d) Upon the Discharge of First Lien Obligations and the Discharge of EDC Obligations, the First Lien Agent is authorized by the Grantors to, and shall promptly deliver the remaining Pledged Collateral (if any) together with any necessary endorsements, first, to the Second Lien Agent so long as the Second Lien Obligations remain outstanding as confirmed by the Second Lien Agent, and, to the extent that Second Lien Agent confirms no Second Lien Obligations are outstanding, second, to the applicable Grantor to the extent no First Lien Obligations or Second Lien Obligations remain outstanding (in each case, so as to allow such person to obtain possession or control of such Pledged Collateral). At such time, the First Lien Agent further agrees to take all other action reasonably requested by the Second Lien Agent at the expense of the Grantors (including amending any outstanding Control Agreements) to enable

the Second Lien Agent to obtain a first priority security interest in the Collateral or as a court of competent jurisdiction may otherwise direct.

(e) Subject to the terms of this Agreement, so long as the Discharge of First Lien Obligations and the Discharge of EDC Obligations have not occurred, the First Lien 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 First Lien Credit Documents as if the Liens of the Second Lien Agent and Second Lien Claimholders did not exist.

5.5 When Discharge of First Lien Obligations Deemed to Not Have Occurred. If substantially concurrently with the consummation of any transaction which would otherwise constitute a Discharge of First Lien Obligations, the Borrower enters into any Refinancing of any First Lien Loan Document evidencing a First Lien Obligation which Refinancing is permitted by the Second Lien Loan Documents, the EDC Documents and this Agreement, then the Discharge of First Lien Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken as a result of the occurrence of such first Discharge of First Lien Obligations), and, from and after the date on which the New First Lien Debt Notice is delivered to the Second Lien Collateral Agent and EDC in accordance with the next sentence, the obligations under such Refinancing of the First Lien Loan Document shall automatically be treated as First Lien 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 First Lien Agent under such First Lien Loan Documents shall be the First Lien Agent for all purposes of this Agreement. Upon receipt of a notice (the "**New First Lien Debt Notice**") stating that the Borrower has entered into a new First Lien Loan Document (which notice shall include the identity of the new first lien collateral agent, such agent, the "**New Agent**"), EDC and the Second Lien Agent shall promptly (a) enter into such documents and agreements (including amendments or supplements to this Agreement) as the Borrower or such New Agent shall reasonably request and at the Borrower's expense 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 the New Agent any Pledged Collateral 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 EDC and the Second Lien Agent and the Second Lien Claimholders to be bound by the terms of this Agreement.

5.6 Purchase Right. (a) Without prejudice to any Exercise of Secured Creditor Remedies by the First Lien Claimholders, the First Lien Claimholders agree that following the earliest to occur of (i) an acceleration of the First Lien Obligations in accordance with the terms of the First Lien Credit Agreement, (ii) the receipt by First Lien Agent of a notice pursuant to Section 3(a)(i)(B), or (iii) the commencement of an Insolvency or Liquidation Proceeding, the First Lien Claimholders will offer the Second Lien Claimholders the option to purchase the entire aggregate amount of (but not less than the entire aggregate amount of) the outstanding First Lien Obligations at par (without regard to any prepayment penalty or premium) plus accrued interest, without warranty or representation or recourse, on a pro rata basis across First Lien Claimholders. The Second Lien Claimholders shall irrevocably accept or reject such offer within 90 days of the receipt thereof; provided, that during such 90 day period, or until accepted or rejected by the Second Lien Claimholders, the First Lien Agent retains all rights and powers

under this Agreement, and, if accepted, the parties shall use their reasonable commercial efforts to close as promptly as practicable thereafter. If the Second Lien Claimholders accept such offer, it shall be exercised pursuant to documentation mutually acceptable to each of the First Lien Agent and the Second Lien Agent. If the Second Lien Claimholders reject such offer (or do not so irrevocably accept such offer within the required timeframe), the First Lien Claimholders shall have no further obligations pursuant to this Section 5.6 and may take any further actions in their sole discretion in accordance with the First Lien Loan Documents and this Agreement.

(b) Upon the date of such purchase and sale, the Second Lien Claimholders shall, without duplication, (i) pay to the First Lien Agent and the First Lien Claimholders as the purchase price therefor the aggregate amount of all the First Lien Obligations then outstanding and unpaid, (ii) furnish cash collateral to the First Lien Agent and the First Lien Claimholders in such amounts as the First Lien Agent determines is reasonably necessary to secure the First Lien Agent and the First Lien Claimholders in connection with Bank Products and letters of credit, and (iii) agree to reimburse the First Lien Agent and the First Lien Claimholders for all expenses to the extent earned or due and payable in accordance with the First Lien Loan Documents (including the reimbursement of expenses, financial examination expenses and appraisal fees).

(c) Such purchase and sale shall be expressly made without representation or warranty of any kind by the First Lien Agent and the First Lien Claimholders as to the First Lien Obligations so purchased or otherwise and without recourse to the First Lien Agent or any First Lien Claimholder, except that each First Lien Claimholder shall represent and warrant: (i) the amount of the First Lien Obligations being purchased from it, (ii) that such First Lien Claimholder owns its portion of the First Lien Obligations so purchased free and clear of any Liens or encumbrances, and (iii) such First Lien Claimholder has the right to assign such First Lien Obligations and the assignment is duly authorized by such First Lien Claimholder.

5.7 Injunctive Relief. Should any Second Lien Claimholder in any way take, attempt to, or threaten to take any action contrary to terms of this Agreement with respect to the Collateral, or fail to take any action required by this Agreement, EDC, the First Lien Agent or any First Lien Claimholder (in its or their own name or in the name of any Grantor) or any Grantor may obtain relief against such Second Lien Claimholder by injunction, specific performance, and/or other appropriate equitable relief, it being acknowledged, understood and agreed by the Second Lien Collateral Agent on behalf of each Second Lien Claimholder that (a) EDC's and the First Lien Claimholders' damages from such actions may at that time be difficult to ascertain and may be irreparable, and (b) each Second Lien Claimholder waives any defense that such Grantor or EDC or the First Lien Claimholders cannot demonstrate damage and/or be made whole by the awarding of damages, and similar provisions shall apply to the Second Lien Agent and the Second Lien Claimholders *mutatis mutandis* to EDC and the First Lien Agent and the First Lien Claimholders.

SECTION 6. INSOLVENCY OR LIQUIDATION PROCEEDINGS.

6.1 Enforceability and Continuing Priority. This Agreement shall be applicable both before and after the filing of any Insolvency or Liquidation Proceeding and all converted or succeeding cases in respect thereof. Except as otherwise provided in this Section 6, the relative

rights of the First Lien Agent and the First Lien Claimholders, EDC and the Second Lien Agent and the Second Lien Claimholders in or to any distributions from or in respect of any Collateral or proceeds of Collateral, shall continue after the filing thereof. Accordingly, the provisions of this Agreement are intended to be and shall be enforceable under Section 510 of the U.S. Bankruptcy Code and any other applicable Insolvency Legislation.

6.2 Financing. Until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the First Lien Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the U.S. Bankruptcy Code), on which the First Lien Agent or any other creditor has a Lien or to permit any Grantor to obtain financing, whether from the First Lien Claimholders or any other person under Section 11.2 of the Companies' Creditors Arrangements Act (Canada) Section 364 of the U.S. Bankruptcy Code or any similar Insolvency Legislation ("**DIP Financing**"), then the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing; provided that (a) the interest rate, fees, advance rates, lending limits and sublimits are commercially reasonable under the circumstances, (b) the Second Lien Agent retains a Lien on the Collateral (including proceeds thereof arising after the commencement of such Insolvency or Liquidation Proceeding) which is subject to the terms of this Agreement and has the same relative priority vis-à-vis the First Lien Claimholders as existed prior to the commencement of such Insolvency or Liquidation Proceeding (except that such Lien shall also be subject to the Liens securing the DIP Financing), and (c) such DIP Financing is otherwise subject to the terms of this Agreement; provided further that the foregoing notwithstanding, the Second Lien Agent and the Second Lien Claimholders shall have the right to (i) object to any provision of the DIP Financing relating to any provision or content of a plan of reorganization (other than a provision accelerating the maturity of such DIP Financing to the effective date of such plan of reorganization), or (ii) object to any DIP Financing to the extent that it permits the First Lien Claimholders to be granted adequate protection in the form of additional collateral without the Second Lien Agent being granted adequate protection in the form of a Lien on such additional collateral that is subordinated to the Liens securing the First Lien Obligations and the EDC Obligations and the Liens securing such DIP Financing (and all obligations relating thereto) on the same basis as the other Liens securing the Second Lien Obligations are so subordinated to the Liens securing the First Lien Obligations and the EDC Obligations under this Agreement. In the event the Liens securing the First Lien Obligations and EDC Obligations are discharged with the initial proceeds of, subordinated to, or rank *pari passu* with such DIP Financing, the Second Lien Agent agrees that this Agreement shall automatically (and the Second Lien Agent agrees to confirm) subordinate its Liens on the Collateral to the Liens securing such DIP Financing (and all obligations relating thereto), and that the Second Lien Agent will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the First Lien Agent or EDC or to the extent permitted by Section 6.5). In connection with any DIP Financing or Cash Collateral use, if the Liens on the Collateral of the First Lien Claimholders or EDC are subordinated, whether consensually or otherwise, to any interest or claim, including an administrative priority claim, a professional fee "carve out," or fees owed to the United States Trustee, then the Liens on the Collateral of the Second Lien Claimholders shall also be subordinated to such interest or claim and shall remain subordinated

to the Liens on the Collateral of the First Lien Claimholders and EDC consistent with this Agreement.

6.3 Sales. The Second Lien Agent on behalf of the Second Lien Claimholders, agrees that it will not object or oppose a motion to sell or otherwise Dispose of any Collateral free and clear of the Liens or other claims in favor of the Second Lien Agent under Section 363 of the U.S. Bankruptcy Code or other applicable law if the requisite First Lien Claimholders have consented to such sale or Disposition of such assets, and such motion does not impair, subject to the priorities set forth in this Agreement, the rights of the Second Lien Claimholders under Section 363(k) of the U.S. Bankruptcy Code or other applicable law; provided that in connection with any such motion to sell or otherwise Dispose of any Collateral, the Second Lien Agent and the Second Lien Claimholders may file any pleadings, motions, or objections which assert rights available to unsecured creditors.

6.4 Relief from the Automatic Stay. Until the Discharge of First Lien Obligations and the Discharge of EDC Obligations have occurred, the Second Lien Agent, on behalf of itself and the Second Lien 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 Collateral, without the prior written consent of the First Lien Agent and EDC.

6.5 Adequate Protection.

(a) The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that none of them shall contest (or support any other person contesting):

(i) any request by EDC, the First Lien Agent or the First Lien Claimholders for adequate protection; or

(ii) any objection by EDC, the First Lien Agent or the First Lien Claimholders to any motion, relief, action, or proceeding based on the First Lien Agent or the First Lien Claimholders claiming a lack of adequate protection.

(b) Notwithstanding the foregoing provisions in this Section 6.5, in any Insolvency or Liquidation Proceeding:

(i) if EDC or the First Lien Claimholders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any Cash Collateral use or DIP Financing, then the Second Lien Agent, on behalf of itself or any of the Second Lien Claimholders, may seek or request adequate protection in the form of a Lien on such additional collateral which Lien claim shall be subordinated to the Liens securing the First Lien Obligations and the EDC Obligations and such Cash Collateral use or DIP Financing on the same basis as the other Liens securing the Second Lien Obligations are so subordinated to the Liens securing the First Lien Obligations and the EDC Obligations under this Agreement; and

(ii) in the event the Second Lien Agent, on behalf of itself or any of the Second Lien Claimholders, seeks or requests adequate protection in respect of Second Lien Obligations and such adequate protection is granted in the form of additional collateral, then the Second Lien Agent, on behalf of itself or any of the Second Lien Claimholders, agrees that EDC and the First Lien Agent shall also be granted a senior Lien on such additional collateral as security for the First Lien Obligations and the EDC Obligations and for any Cash Collateral use or DIP Financing provided by the First Lien Claimholders and that any Lien on such additional collateral securing the Second Lien Obligations shall be subordinated to the Lien on such collateral securing the First Lien Obligations and the EDC Obligations and any such DIP Financing provided by the First Lien Claimholders and to any other Liens granted to the First Lien Claimholders and EDC as adequate protection on the same basis as the other Liens securing the Second Lien Obligations are so subordinated to the Liens securing the First Lien Obligations and EDC Obligations under this Agreement. Except as otherwise expressly set forth in Section 6.2 or in connection with any Exercise of Secured Creditor Remedies, nothing herein shall limit the rights of the Second Lien Agent or the Second Lien Claimholders from seeking adequate protection (with respect to their rights in the Collateral in any Insolvency or Liquidation Proceeding in the form of periodic cash payments of interest).

(c) Neither the Second Lien Agent nor any Second Lien Claimholder shall object to, oppose, or challenge any claim by the First Lien Agent or any First Lien Claimholder or EDC for allowance in any Insolvency or Liquidation Proceeding of First Lien Obligations or EDC Obligations consisting of post-petition interest, fees, or expenses to the extent of the value of the Lien of the First Lien Agent on behalf of the First Lien Claimholders or EDC (as the case may be), without regard to the existence of the Lien of the Second Lien Agent on behalf of the Second Lien Claimholders on the Collateral.

(d) Neither EDC, the First Lien Agent nor any First Lien Claimholder shall object to, oppose, or challenge any claim by the Second Lien Agent or any Second Lien Claimholder for allowance in any Insolvency or Liquidation Proceeding of Second Lien Obligations consisting of post-petition interest, fees, or expenses to the extent of the value of the Lien of the Second Lien Agent on behalf of the Second Lien Claimholders on the Collateral (after taking into account the First Lien Collateral).

6.6 Section 1111(b) of the U.S. Bankruptcy Code. The Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, shall not object to, oppose, support any objection, or take any other action to impede, the right of EDC or any First Lien Claimholder to make an election under Section 1111(b)(2) of the U.S. Bankruptcy Code. The Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, waives any claim it may hereafter have against any First Lien Claimholder or EDC arising out of the election by EDC or any First Lien Claimholder of the application of Section 1111(b)(2) of the U.S. Bankruptcy Code.

6.7 Avoidance Issues. If EDC or any First Lien Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the Borrower or any other Grantor any amount paid in respect of First Lien Obligations or EDC

Obligations (a “**Recovery**”), then such First Lien Claimholders or EDC (as the case may be) shall be entitled to a reinstatement of First Lien Obligations or EDC 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 and to the extent the Cap Amount was decreased in connection with such payment of the First Lien Obligations, the Cap Amount shall be increased to such extent.

6.8 Plan of Reorganization. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of First Lien Obligations and/or EDC Obligations and on account of Second Lien Obligations, then, to the extent the debt obligations distributed on account of the First Lien Obligations and/or EDC Obligations and on account of the Second Lien Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations. Each of the First Lien Agent and EDC hereby agrees that it shall not support any plan of reorganization, whether pursuant to an Insolvency or Liquidation Proceeding or otherwise, pursuant to which any unsecured creditor of the Grantors receives more favorable treatment than either the Second Lien Agent or any Second Lien Claimholder.

6.9 Proof of Claim. If Second Lien Agent or any Second Lien Claimholder does not file a proper claim or proof of debt or other document or amendment thereof in the form required in any Insolvency or Liquidation Proceeding prior to 30 days before the expiration of time to file such claim or other document or amendment thereof, then First Lien Agent shall have the right (but not the obligation) in any such Insolvency or Liquidation Proceeding, and Second Lien Agent hereby irrevocably appoints First Lien Agent as Second Lien Agent’s and Second Lien Claimholders’ lawful attorney in fact, to file and prove all claims therefor.

6.10 Waiver. The Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, waives any claim it may hereafter have against EDC or any First Lien Claimholder arising out of any cash collateral or financing arrangement or out of any grant of a Lien in connection with the Collateral in any Insolvency or Liquidation Proceeding.

6.11 Separate Grants of Security. The Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, EDC and the First Lien Agent, for itself and on behalf of the First Lien Claimholders, acknowledge and agree that the grants of Liens pursuant to the First Lien Collateral Documents, the EDC Collateral Documents and the Second Lien Collateral Documents constitute three separate and distinct grants of Liens. If it is held that the claims of the First Lien Claimholders, EDC and the Second Lien Claimholders in respect of the Collateral constitute only one secured claim, then each of the parties hereto hereby acknowledges and agrees that, subject to Sections 2.1 and 4.1, all distributions shall be made as if there were senior and junior secured claims against the Grantors in respect of the Collateral (with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Second Lien Claimholders), the First Lien Claimholders and EDC 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 and other amounts due pursuant to the First Lien Credit Agreement and the EDC Documents, including any additional interest payable pursuant to the First Lien Credit Agreement or EDC 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 Second Lien Claimholders, with the Second Lien Agent, for itself and on behalf of the Second Lien Claimholders, hereby acknowledging and agreeing to turn over to EDC and the First Lien Agent, for itself and on behalf of the First Lien 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 Second Lien Claimholders).

6.12 No Waiver. Except as otherwise expressly set forth herein, neither EDC, the First Lien Agent nor any First Lien Claimholder shall be prohibited from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the Second Lien Agent or any of the Second Lien Claimholders, including the seeking by the Second Lien Agent or any Second Lien Claimholders of adequate protection or the asserting by the Second Lien Agent or any Second Lien Claimholders of any of its rights and remedies under the Second Lien Loan Documents or otherwise.

SECTION 7. RELIANCE; WAIVERS; ETC.

7.1 Reliance. Other than any reliance on the terms of this Agreement, EDC under the EDC Documents and the First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, each acknowledges that it and, in the case of the First Lien Agent, the First Lien Claimholders have, independently and without reliance on the Second Lien Agent or any Second Lien Claimholders, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into such EDC Documents and First Lien Loan 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 EDC Documents, the First Lien Credit Agreement or this Agreement. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, acknowledges that it and the Second Lien Claimholders have, independently and without reliance on EDC, the First Lien Agent or any First Lien Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Second Lien Loan 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 Second Lien Loan Documents or this Agreement.

7.2 No Warranties or Liability. The First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, acknowledges and agrees that each of EDC, the Second Lien Agent and the Second Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility, or enforceability of any of the EDC Documents, the Second Lien Loan Documents, the ownership of any Collateral, or the perfection or priority of any Liens thereon. Except as otherwise expressly provided herein, EDC and the Second Lien Claimholders

will be entitled to manage and supervise their respective loans and extensions of credit under the EDC Documents and Second Lien Loan Documents, as applicable, in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. EDC under the EDC Documents acknowledges and agrees that each of the First Lien Agent, on behalf of itself and the First Lien Claimholders and the Second Lien Agent and the Second Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility, or enforceability of any of the First Lien Loan Documents or the Second Lien Loan Documents, the ownership of any Collateral, or the perfection or priority of any Liens thereon. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders under the Second Lien Documents, acknowledges and agrees that EDC and the First Lien Agent and the First Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility, or enforceability of any of the EDC Documents or First Lien Loan Documents, the ownership of any Collateral, or the perfection or priority of any Liens thereon. Except as otherwise expressly provided herein, the First Lien Claimholders and EDC will be entitled to manage and supervise their respective loans and extensions of credit under their respective First Lien Loan Documents and EDC Documents, as applicable, in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Second Lien Agent and the Second Lien Claimholders shall have no duty to EDC, the First Lien Agent or any of the First Lien Claimholders; the First Lien Agent and the First Lien Claimholders shall have no duty to EDC, the Second Lien Agent or any of the Second Lien Claimholders; and EDC shall have no duty to the First Lien Agent or any of the First Lien Claimholders or the Second Lien Agent or any of the Second Lien Claimholders to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the First Lien Loan Documents, the EDC Documents and the Second Lien Loan Documents), regardless of any knowledge thereof which they may have or be charged with. Notwithstanding the foregoing, nothing in this Agreement shall limit the liability of (i) the First Lien Agent as to EDC, the Second Lien Agent and the Second Lien Claimholders, (ii) EDC as to the First Lien Agent, the First Lien Claimholders, the Second Lien Agent and the Second Lien Claimholders, or (iii) the Second Lien Agent as to the First Lien Agent and the First Lien Claimholders in the case of fraud, gross negligence or willful misconduct.

7.3 No Waiver of Lien Priorities. (a) No right of the First Lien Claimholders, the First Lien Agent, EDC or any of them to enforce any provision of this Agreement or any First Lien Loan Document or EDC 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 EDC, any First Lien Claimholder or the First Lien Agent, or by any noncompliance by any person with the terms, provisions, and covenants of this Agreement, any of the EDC Documents, the First Lien Loan Documents or the Second Lien Loan Documents, regardless of any knowledge thereof which EDC, the First Lien Agent or the First Lien 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 any rights of the Grantors under the First Lien Loan Documents and subject to the

provisions of Section 5.3(a), the First Lien Claimholders, the First Lien Agent and any of them may, at any time and from time to time in accordance with the First Lien Loan Documents and/or applicable law, without the consent of, or notice to, the Second Lien Agent or any Second Lien Claimholders, without incurring any liabilities to the Second Lien Agent or any Second Lien Claimholders and without impairing or releasing the Lien priorities and other benefits provided in this Agreement as regards the Second Lien Agent or any Second Lien Claimholders (even if any right of subrogation or other right or remedy of the Second Lien Agent or any Second Lien Claimholders 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 First Lien Obligations or any Lien on any First Lien Collateral or guarantee 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 First Lien 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 First Lien Agent or any of the First Lien Claimholders, the First Lien Obligations, or any of the First Lien Loan Documents; provided that any such increase in the First Lien Obligations shall not exceed the Cap Amount (unless such excess has been approved by the Second Lien Lenders);

(ii) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the First Lien Collateral or any liability of any Grantor to the First Lien Claimholders or the First Lien Agent, or any liability incurred directly or indirectly in respect thereof;

(iii) settle or compromise any First Lien 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 (including the First Lien Obligations) in any manner or order; and

(iv) exercise or delay in, or refrain from, exercising, any right or remedy against any Grantor or any other person, elect any remedy and otherwise deal freely with any Grantor or any First Lien Collateral and any security and any guarantor or any liability of any Grantor to the First Lien Claimholders or any liability incurred directly or indirectly in respect thereof.

(c) Except as otherwise provided herein, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, also agrees that EDC, the First Lien Claimholders and the First Lien Agent shall have no liability to the Second Lien Agent or any Second Lien Claimholders, and the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby waives any claim against EDC, any First Lien Claimholder or the First Lien Agent, arising out of any and all actions which EDC, the First Lien Claimholders or the First Lien Agent may, pursuant to the terms hereof, take, permit or omit to take with respect to:

(i) the First Lien Loan Documents or the EDC Document (as the case may be);

(ii) the collection of the First Lien Obligations or the EDC Obligations (as the case may be); or

(iii) the foreclosure upon, or sale, liquidation, or other disposition of, or the failure to foreclose upon, or sell, liquidate, or otherwise Dispose of, any First Lien Collateral or EDC Collateral (as the case may be); provided that such foreclosure, sale, liquidation or disposition is completed in accordance with the provisions of this Agreement. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, agrees that (except for any express obligations hereunder) EDC, the First Lien Claimholders and the First Lien Agent have no duty to them in respect of the maintenance or preservation of EDC Collateral, the EDC Obligations, the First Lien Collateral, the First Lien Obligations, or otherwise.

(d) Until the Discharge of First Lien Obligations and the Discharge of EDC Obligations, the Second Lien Agent, on behalf of itself and the Second Lien 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 marshaling, appraisal, valuation, or other similar right that may otherwise be available under applicable law with respect to the Collateral or any other similar rights a junior secured creditor may have under applicable law.

7.4 Obligations Unconditional. For so long as this Agreement is in full force and effect, all rights, interests, agreements and obligations of the First Lien Agent and the First Lien Claimholders, EDC and the Second Lien Agent and the Second Lien Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Lien Loan Documents, EDC Documents or Second Lien Loan Documents;

(b) except as otherwise expressly restricted 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 First Lien Obligations, EDC Obligations or Second Lien 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 First Lien Loan Document, EDC Document or Second Lien Loan Document;

(c) except as otherwise expressly restricted 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 First Lien Obligations, EDC Obligations or Second Lien Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of 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 First Lien Agent, the First Lien Obligations, any First Lien Claimholder, EDC, the EDC Obligations, the Second Lien Agent, the Second Lien Obligations or any Second Lien Claimholder in respect of this Agreement.

SECTION 8. MISCELLANEOUS.

8.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of the First Lien Loan Documents, the EDC Documents or the Second Lien Loan Documents, the provisions of this Agreement shall govern and control; provided that nothing in this Agreement shall limit or amend the covenants and obligations of any Documentary Credit Issuer to, or the terms and conditions any Documentary Creditor must fulfill in order to be entitled to obtain payment from, EDC under any EDC Agreement.

8.2 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 First Lien Claimholders and EDC may continue, at any time and without notice to the Second Lien Agent or any Second Lien Claimholder subject to the Second Lien Loan Documents, to extend credit and other financial accommodations and lend monies to or for the benefit of any Grantor constituting First Lien Obligations or EDC Obligations (as the case may be) in reliance hereof. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, 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. 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 such Grantor in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the First Lien Agent, the First Lien Claimholders, and the First Lien Obligations, on the date of Discharge of all First Lien Obligations, subject to the rights of the First Lien Claimholders under Section 6.7;

(b) with respect to EDC and the EDC Obligations, on the date of the Discharge of EDC Obligations, subject to the rights of EDC under Section 6.7;

(c) with respect to the Second Lien Agent, the Second Lien Claimholders and the Second Lien Obligations, upon the later of (1) the date upon which the obligations under the Second Lien Credit Agreement terminate if there are no other Second Lien Obligations outstanding on such date, and (2) if there are other Second Lien Obligations outstanding on such date, the date upon which such Second Lien Obligations terminate.

8.3 Amendments; Waivers. No amendment, modification, or waiver of any of the provisions of this Agreement by EDC, the Second Lien Agent or the First Lien 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 its rights are directly affected (which includes, but is not limited to, any amendment to the Grantors' ability to cause additional obligations to constitute First Lien Obligations, EDC Obligations or Second Lien Obligations as the Grantors may designate).

8.4 Information Concerning Financial Condition of the Borrower, AV U.S. and their Respective Subsidiaries. EDC, the First Lien Agent and the First Lien Claimholders, on the one hand, and the Second Lien Claimholders and the Second Lien Agent, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Borrower, AV U.S. and their respective Subsidiaries and all endorsers and/or guarantors of the First Lien Obligations, the EDC Obligations or the Second Lien Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the First Lien Obligations, the EDC Obligations or the Second Lien Obligations. The First Lien Agent and the First Lien Claimholders shall have no duty to advise EDC, the Second Lien Agent or any Second Lien Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. EDC shall have no duty to advise the First Lien Agent, the First Lien Claimholders, the Second Lien Agent or any Second Lien Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. The Second Lien Agent and the Second Lien Claimholders shall have no duty to advise EDC, the First Lien Agent or any First Lien Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event EDC, the First Lien Agent or any of the First Lien Claimholders, on the one hand, or the Second Lien Agent or any of the Second Lien Claimholders, on the other hand, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to such other party or any other party to this Agreement, it or they shall be under no obligation:

(a) to make any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness, or validity of any such information so provided;

(b) to provide any additional information or to provide any such information on any subsequent occasion;

(c) to undertake any investigation; or

(d) to disclose any information, which pursuant to accepted or reasonable commercial practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation. With respect to the value of any payments or distributions in cash, property, or other assets that any of the Second Lien Claimholders or the Second Lien Agent pays over to the First Lien Agent or the First Lien Claimholders under the terms of this Agreement, the Second Lien Claimholders and the Second Lien Agent shall be subrogated to the rights of the First Lien Agent and the First Lien Claimholders; provided that, the Second Lien Agent, on behalf of itself and the Second Lien Claimholders, hereby agrees not to assert or enforce any such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of all First Lien Obligations has occurred, except as may be otherwise expressly permitted hereunder. Each Grantor acknowledges and agrees that the value of any payments or distributions in cash, property or other assets received by the Second Lien Agent or the Second Lien Claimholders that are paid over to the First Lien Agent or the First Lien Claimholders pursuant to this Agreement shall not reduce any of the Second Lien Obligations.

8.6 Application of Payments. All payments received by the First Lien Agent or the First Lien Claimholders or EDC may be applied, reversed and reapplied, in whole or in part, to such part of the First Lien Obligations as provided for in the First Lien Loan Documents or the EDC Obligations as provided for in the EDC Documents, as the case may be. The Second Lien Agent, on behalf of itself and the Second Lien Claimholders, assents to any extension or postponement of the time of payment, subject to Section 5.3(a)(iv), of the First Lien Obligations and the EDC Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security which may at any time secure any part of the First Lien Obligations or EDC Obligations and to the addition or release of any other Person primarily or secondarily liable therefor.

8.7 SUBMISSION TO JURISDICTION; WAIVERS. (a) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE PROVINCE OF ONTARIO, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. NOTHING CONTAINED IN THIS AGREEMENT OR IN ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY:

- (i) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;

(ii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 8.7; AND

(iii) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (iii) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE; MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.7(b) AND EXECUTED BY THE FIRST LIEN AGENT AND THE SECOND LIEN AGENT), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8.8 Notices. All notices to EDC, the Second Lien Claimholders and the First Lien Claimholders permitted or required under this Agreement shall also be sent to EDC, the Second Lien Agent and the First Lien Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, or sent by facsimile or mail or courier service or electronic mail 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 electronic mail, or 3 Business Days after depositing it in the 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 the signature pages 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.

8.9 Further Assurances. EDC, the First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, and the Second Lien Agent, on behalf of itself and the Second Lien Claimholders under the Second Lien Loan Documents, and the Borrower, each 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 EDC, the First Lien Agent or the Second Lien Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement, all at the expense of the Borrower.

8.10 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO AND THE LAWS OF CANADA APPLICABLE IN THAT PROVINCE.

8.11 Binding on Successors and Assigns. This Agreement shall be binding upon EDC, the First Lien Agent, the First Lien Claimholders, the Second Lien Agent, the Second Lien Claimholders, and their respective successors and assigns; provided that it is a condition of any assignment by any party hereto that the assignee first enter into an agreement with the other parties hereto agreeing to be bound by the terms and conditions of this agreement to the extent of the rights and interests assigned to it, as if it were an original signatory hereto in the place of the assignee.

8.12 Specific Performance. Each of EDC, the First Lien Agent and the Second Lien Agent may demand specific performance of this Agreement. EDC under the EDC Documents, the First Lien Agent, on behalf of itself and the First Lien Claimholders under the First Lien Loan Documents, and the Second Lien Agent, on behalf of itself and the Second Lien 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 EDC, the First Lien Agent or the First Lien Claimholders or the Second Lien Agent or the Second Lien Claimholders, as the case may be.

8.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

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

8.15 Authorization. By its signature, each person executing or acknowledging this Agreement represents and warrants to the other parties hereto that it is duly authorized to execute and/or agree to this Agreement.

8.16 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 and bind each of EDC, the First Lien Claimholders and the Second Lien Claimholders. Nothing in this Agreement shall impair, as between the Grantors and

the First Lien Agent and the First Lien Claimholders, or as between the Grantors and EDC, or as between the Grantors and the Second Lien Agent and the Second Lien Claimholders, the obligations of the Grantors to pay principal, interest, fees and other amounts as provided in the First Lien Loan Documents, the EDC Documents and the Second Lien Loan Documents, as the case may be.

8.17 Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of EDC, the First Lien Agent and the First Lien Claimholders and the Second Lien Agent and the Second Lien Claimholders. No Grantor or any other creditor thereof shall have any rights hereunder and no Grantor may rely on the terms hereof. Nothing in this Agreement is intended to or shall impair the obligations of the Grantors, which are absolute and unconditional, to pay the First Lien Obligations, the EDC Obligations and the Second Lien Obligations as and when the same shall become due and payable in accordance with their terms.

[signature pages follow]

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

ROYAL BANK OF CANADA,
as First Lien Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXPORT DEVELOPMENT CANADA

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CONTEGO AV LUXEMBOURG SARL,
as Second Lien Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature page to Intercreditor Agreement]

**ALLEN VANGUARD CORPORATION,
as Borrower**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[OTHERS]

SCHEDULE D
SECOND LIEN CREDIT AGREEMENT

SECOND LIEN CREDIT AGREEMENT

ALLEN-VANGUARD CORPORATION
as Borrower

- and -

THE GUARANTORS PARTY HERETO

- and -

THE FINANCIAL INSTITUTIONS NAMED HEREIN
as Lenders

- and -

[VERSA]
as Administrative Agent

SECOND LIEN CREDIT AGREEMENT

Dated as of [●], 2009

SCHEDULES

Schedule 1	-	Annual Business Plan
Schedule 2	-	Lender's Percentages
Schedule 3	-	Form of Borrowing Notice
Schedule 4	-	Notice Periods
Schedule 5	-	Form of Compliance Certificate
Schedule 6	-	Form of Excess Cash Flow Certificate
Schedule 7	-	Assignment and Assumption Agreement
Schedule 8	-	List of Persons/Countries
Schedule 9	-	Form of Notice of Conversion/Continuation
Schedule 10	-	Quarterly Reporting Requirements
Schedule 11	-	Form of Consolidated EBITDA Certificate
Schedule 12	-	Representation and Warranty Qualification

Disclosure Schedules

Schedule A	-	Litigation
Schedule B	-	Locations of Business, Executive Offices and Collateral
Schedule C	-	Material Permits
Schedule D	-	Intellectual Property
Schedule E	-	Leased Real Property
Schedule F	-	Subsidiaries
Schedule G	-	Environmental Matters
Schedule H	-	Permitted Debt
Schedule I	-	Permitted Encumbrances
Schedule J	-	Intercompany Equity Securities/Notes

RECITALS:

The Borrower has requested that the Lenders provide a term loan facility in the aggregate initial principal amount of up to US \$[] for general corporate purposes, to provide working capital, and to provide liquidity for acquisitions and/or growth initiatives.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1

INTERPRETATION

Section 1.01 Defined Terms

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

“Accommodation” means an Advance made by a Lender on the occasion of any Borrowing.

“Accommodations Outstanding” means, at any time, under the Term Loan Facility, in relation to (i) the Borrower and all Lenders, the amount of all Accommodations outstanding thereunder at such time made to the Borrower, and (ii) the Borrower and each Lender, the amount of all Accommodations outstanding thereunder at such time made by such Lender under its Commitment. In determining Accommodations Outstanding, the aggregate amount thereof shall be determined as the aggregate principal amount of all Advances.

“Accounts Receivable” of any Person means any unconditional right of such Person to receive payment for Inventory sold or services rendered in the ordinary course of business pursuant to customary trade terms.

“Acquired EBITDA” shall mean, with respect to any Acquired Entity or Business (any of the foregoing, a **“Pro Forma Entity”**) for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definition as if references to the Reporting Companies and their Subsidiaries therein and in the definition of Consolidated Net Income were to such Pro Forma Entity and its Subsidiaries), all as determined on a combined, consolidated basis for such Pro Forma Entity in accordance with GAAP.

“Acquired Entity or Business” has the meaning specified in the definition of **“Consolidated EBITDA”** herein.

“Acquisition” means any transaction, or any series of related transactions, consummated after the Effective Date, by which any Loan Party directly or indirectly, by means of a take-over bid, tender offer, amalgamation, merger, purchase of assets, or similar

transaction having the same effect as any of the foregoing, (a) acquires any business or all or substantially all of the assets of any Person engaged in any business, (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing body if the business affairs of such Person are managed by a board of directors or other governing body, or (c) acquires control of more than 50% of the ownership interest in any Person engaged in any business that is not managed by a board of directors or other governing body.

“**Additional Guarantor**” has the meaning specified in Section 23.04(1).

“**Administrative Agent**” means [Versa] as Administrative Agent for the Lenders under this Agreement, and any successor appointed pursuant to Section 13.07.

“**Administrative Questionnaire**” means an administrative questionnaire in a form supplied by the Administrative Agent.

“**Advances**” means Term Loan Advances. Advances are to be denominated in U.S. Dollars and may (in accordance with and subject to Article 2 and Article 3) be designated as U.S. Base Rate Advances or LIBOR Advances. A U.S. Base Rate Advance and a LIBOR Advance is each a “**Type**” of Advance.

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

“**Affected Advances**” has the meaning specified in Section 3.04.

“**Affected Lender**” has the meaning specified in Section 3.04.

“**Agreement**” means this credit agreement, as amended, restated, supplemented, modified, renewed or replaced from time to time.

“**Annual Business Plan**” means, for any Financial Year, a business plan for such Financial Year containing the statements, analysis and discussion set forth on Schedule 1.

“**Anti-Terrorism Law**” shall mean any Applicable Laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by the United States Treasury Department’s Office of Foreign Asset Control, Part II.1 of the *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorism Financing Act* (Canada), the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada), and the *United Nations Al-Qaida and Taliban Regulations* (Canada).

“**Applicable Laws**” means all legally enforceable statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any

provisions of the foregoing, including general principles of common and civil law and equity, binding on the Person referred to in the context in which such word is used; and **"Applicable Law"** means any one of the foregoing.

"Applicable Margin" means a rate equal to (i) 9.50% per annum in the case of U.S. Base Rate Advances, and (ii) 10.50% per annum in the case of LIBOR Advances.

"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.

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

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Schedule 7 or any other form approved by the Administrative Agent.

"Authorization" means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, franchise, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person.

"Backlog" means the value of purchase orders, contracts, letters of intent or other documents which represent firm commitments to purchase equipment and/or services from the Borrower or one of its Subsidiaries and which include detailed product specifications or service descriptions, quantities and delivery expectations, provided that with respect to IDIQ (Indefinite Delivery Indefinite Quantity) contracts, only that portion of any such contract that represents committed and funded amounts at the time of calculation shall be included in the calculation of Backlog.

"Baseline" means the actual Unadjusted EBITDA for the 12 month period ended June 30, 2009 (\$19.9MM) without any pro forma adjustments (other than certain year-end accounting adjustments) minus Cdn. \$10,000,000.

"Borrower" means Allen-Vanguard Corporation, a corporation existing under the *Business Corporations Act* (Ontario).

"Borrower's Account" means the Borrower's U.S. Dollar account, the particulars of which shall have been notified to the Administrative Agent by the Borrower at least one Business Day prior to the making of any Accommodation.

"Borrowing" means a borrowing consisting of one or more Advances.

"Borrowing Notice" has the meaning specified in Section 3.02.

“Buildings and Fixtures” means all plants, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on the Leased Real Properties and any owned real properties.

“Business” means the business of Holdings and its Subsidiaries, being the development, marketing and sale of technologies, tools and training for defeating and minimizing the effects of improvised explosive devices and other hazardous causes and materials, whether chemical, biological, radiological, nuclear or explosive, including radio frequency and ECM applications, bomb disposal and chem-bio suit ensembles, body armor, remote intervention robots and other search and disposal specialty equipment for explosive ordnance disposal, blast mitigation and decontamination equipment, and ancillary items, together with counter-IED intelligence, training and advisory services, consulting, publishing, database and maintenance services and other businesses incidental thereto.

“Business Day” means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario and, where used in the context of U.S. Base Rate Advances, and in respect of any payment in U.S. Dollars, is also a day on which banks are not required or authorized to close in New York, New York and, where used in the context of LIBOR Advances, is also a day on which banks are not required or authorized to close in London, England.

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

“Canadian Guarantor” means a Subsidiary of Holdings (other than Borrower and any Excluded Subsidiary) organized under the laws of Canada or any province or territory thereof, in its capacity as a guarantor under the Domestic Guarantee.

“Canadian or UK Benefit Plan” means any plan, fund, program or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, unemployment insurance, pension, retirement, savings, vacation pay, severance pay, profit sharing or incentive compensation benefits, under which any Loan Party organized or established under the laws of Canada (or a province or territory thereof) or the UK has any liability with respect to any of its employees or former employees employed in Canada or the UK, as applicable, and includes any Canadian Pension Plan or UK Pension Plan.

“Canadian Pension Plans” means each pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to by any Loan Party for its employees or former employees in Canada, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec.

“Capital Expenditures” means, in respect of any Person, expenditures made by such Person for the purchase, lease or acquisition of Assets (other than current Assets) required to be capitalized for financial reporting purposes in accordance with GAAP (but,

for greater certainty, excluding any such expenditures constituting a Permitted Acquisition).

“Capital Lease Obligation” of any Person means any obligation of such Person to pay rent or other amounts under a lease of property, real or personal, that is accounted for in accordance with GAAP as a capitalized lease.

“Capital Raise” means any debt or equity raise or other financing completed by the Borrower.

“Change in Applicable Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any Applicable Law by any Governmental Authority.

“Change of Control” shall mean:

(i) prior to any initial public offering of Equity Securities of Holdings, Sponsor Group shall cease to own or Control, directly or indirectly, beneficially and of record, Equity Securities in Holdings representing at least 51% on a fully diluted basis of the aggregate ordinary voting power represented by the issued and outstanding Equity Securities of Holdings; or

(ii) upon and following the initial public offering of Equity Securities of Holdings, (i) the Sponsor Group (collectively) shall fail to own, or to have the power to vote or direct the voting of, Equity Securities of Borrower or Holdings representing more than 30% of the ordinary voting power for the election of directors or other governing body of Borrower or Holdings, as applicable, and (ii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more members of the Sponsor Group, is or becomes the owner, directly or indirectly, of Equity Securities of Borrower or Holdings representing as much as or more than the ordinary voting power for the election of directors or other governing body of Borrower or Holdings, as applicable, held by the Sponsor Group; or

(iii) during any period of twelve consecutive calendar months, individuals who, at the beginning of such period, constituted the board of directors of Holdings (together with any new directors whose election by the board of directors of Holdings or whose nomination for election by the stockholders of Holdings was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose elections or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office; or

(iv) (x) Holdings shall cease to own, legally and beneficially 100% of the Equity Securities of LuxCo, (y) LuxCo shall cease to own, legally and beneficially 100% of the Equity Securities of Borrower or (z) if LuxCo shall at any time cease to be the direct parent of Borrower, Holdings shall cease to own, legally and beneficially 100% of

the Equity Securities of Borrower on such date or at any time thereafter, in each case subject to Equity Securities or qualifying shares required to be held by a person other than Holdings or LuxCo, as applicable, to comply with the corporate laws or other regulatory requirements of Holdings' or LuxCo's jurisdiction of formation.

"Collateral" means the Assets of the Loan Parties in respect of which the Secured Parties have a security interest pursuant to a Second Lien Security Document or in which a security interest is intended to be created in favour of the Secured Parties or any Lender pursuant to the terms of a Second Lien Security Document.

"Commitment" means, at any time after the Effective Date, in respect of the Term Loan Facility, US \$[_____], as such amount may be reduced pursuant to the terms hereof.

"Common Shares" means common shares of the Borrower.

"Compliance Certificate" means a certificate of the Borrower delivered pursuant to Section 7.01(1)(a)(iv) signed on its behalf by its chief executive officer, chief financial officer or any other two senior officers, substantially in the form attached hereto as Schedule 5, to include (i) a calculation of the Consolidated EBITDA for the relevant Financial Quarter and the previous three Financial Quarters, certifying compliance with the Minimum Consolidated EBITDA covenant in Section 7.03(1)(a) for such four Financial Quarters, (ii) a calculation of the Net Working Capital as at the end of the relevant Financial Quarter, certifying compliance with the minimum Net Working Capital covenant in Section 7.03(1)(b) as at the end of such Financial Quarter, and (iii) a calculation of the Unfunded Capital Expenditures for the Financial Year for which such Financial Quarter is applicable, certifying compliance with the Unfunded Capital Expenditures covenant in Section 7.03(1)(c) for such Financial Year.

"Consolidated Assets" means, at any time, the assets of the Reporting Companies and their Subsidiaries, determined on a combined, consolidated basis as of such time in accordance with GAAP.

"Consolidated Debt" means, at any time, the aggregate amount of all Debt of the Reporting Companies and their Subsidiaries (other than Debt referred to in clause (viii) of the definition thereof) without duplication, determined on a combined, consolidated basis as of such time.

"Consolidated Depreciation and Amortization Expense" means, for any Measurement Period, depreciation and amortization expense of the Reporting Companies and their Subsidiaries for such period, determined on a combined, consolidated basis in accordance with GAAP, including any write offs, write downs and/or impairment charges in respect of goodwill, intangible assets, long-lived assets, issuance costs associated with investments in debt and equity securities or as a result of a change in law or regulation.

"Consolidated EBITDA" means, in respect of the Reporting Companies and their Subsidiaries on a combined, consolidated basis for any Measurement Period, Consolidated Net Income for such period (a) increased by, to the extent deducted in calculating Consolidated Net Income but without duplication, the sum of:

- (i) Consolidated Interest Expense for such period;
- (ii) Consolidated Income Tax Expense for such period;
- (iii) Consolidated Depreciation and Amortization Expense for such period;
- (iv) non-cash stock or stock-option based compensation expenses for such period, including any such charge arising from the grants of stock appreciation or similar rights, stock options, restricted stock or other rights to officers, directors, employees or consultants;
- (v) any net unrealized loss (after any offset) for such period resulting solely from currency translation (including those related to currency remeasurements of Debt and resulting from Hedge Agreements for currency exchange risk);
- (vi) Restructuring Costs for such period; provided, that for the Borrower's Financial Year ending in 2011 and every Financial Year thereafter, the amount of such costs shall be limited to the lesser of the amount incurred and US \$5,000,000 per year;
- (vii) the purchase accounting effects of adjustments to Inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to Holdings and its Subsidiaries), as a result of the Transaction, any Permitted Acquisition or other Investment, or the amortization or write-off of any amounts thereof;
- (viii) extraordinary or non-recurring (including, but not limited to, events such as natural disasters, division closures, change in accounting procedures, etc.) cash or non-cash charges for such period;
- (ix) clearly identifiable year-end accounting charges/adjustments in connection with Borrower's consolidated September 30, 2009 Financial Statements (such as, but not limited to, bad debt reserves, inventory reserves or write offs, other asset write offs/downs and non-operating liability accruals) which such adjustments shall increase Consolidated EBITDA for the Financial Quarter to which such adjustments are applicable;
- (x) losses on asset sales for such period (other than asset sales made in the ordinary course of business);
- (xi) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, Disposition, issuance or repayment of debt (including, without limitation, any loss for such period attributable to the early

extinguishment of Debt, hedging obligations or other derivative instruments, or the acceleration of any deferred financing costs), issuance of Equity Securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction consummated prior to the Effective Date and any such transaction undertaken but not completed) and any charges or non-recurring costs incurred during such period as a result of any such transaction;

- (xii) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period;
- (xiii) amortization of intangibles and pre-incorporation and set-up costs for such period to the extent not included in the definition of Consolidated Depreciation and Amortization Expense;
- (xiv) to the extent covered by insurance under which the insurer has been properly notified and has not denied or contested coverage, expenses with respect to liability or casualty events or business interruption to the extent that such expenses are not ultimately reimbursed;
- (xv) operating losses attributable to any discontinued operations, provided that the inclusion is limited to the greater of (i) 25% of the applicable Minimum Consolidated EBITDA; and (ii) US \$5,000,000; and

(b) decreased by, to the extent such items increased Consolidated Net Income in such period:

- (i) extraordinary or non-recurring cash or non-cash gains for such period;
- (ii) combined, consolidated interest income for such period;
- (iii) any non-recurring items which require an accrual of, or reserve for, cash income for any future period;
- (iv) any income for such period attributable to the early extinguishment of Debt, hedging obligations or other derivative instruments, or the acceleration of any deferred financing costs;
- (v) gains on asset sales for such period (other than asset sales made in the ordinary course of business);
- (vi) any net unrealized gains for such period resulting solely from currency translation (including those related to currency remeasurements of Debt and resulting from Hedge Agreements for currency exchange risk); and

(vii) clearly identifiable year-end accounting gains/adjustments in connection with Borrower's consolidated September 30, 2009 Financial Statements (such as, but not limited to, bad debt recoveries, inventory recoveries or write ups) which such adjustments shall increase Consolidated EBITDA for the Financial Quarter to which such adjustments are applicable;

(c) further decreased by all cash payments made during such period in respect of items characterized as non-cash charges and added back in determining EBITDA pursuant to (a) above in any prior period, all as determined at such time in accordance with GAAP;

provided that (i) there shall be included in determining Consolidated EBITDA for any period, without duplication, the Acquired EBITDA of any Person, property, business or asset acquired by the Reporting Companies and their Subsidiaries during such period (but not the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned or otherwise disposed by a Reporting Company or such Subsidiary (each such Person, property, business or asset acquired and not subsequently so disposed of, an "**Acquired Entity or Business**"), based on the actual Acquired EBITDA of such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition or conversion); provided, that for purposes of calculating Consolidated EBITDA as of the last day of any test period occurring within twelve (12) consecutive months following an Acquisition permitted by this Agreement, Acquired EBITDA shall be calculated for the relevant test period as if such Acquisition had been consummated on the first day of such period, and (ii) there shall be excluded in determining Consolidated EBITDA for any test period, the Disposed EBITDA of any Person, property, business or asset sold, transferred, abandoned or otherwise disposed of, closed or classified as discontinued operations by the Reporting Companies or their Subsidiaries during such period (each such Person, property, business or asset so sold or disposed of, a "**Sold Entity or Business**"), based on the actual Disposed EBITDA of such Sold Entity or Business for such period (including the portion thereof occurring prior to such sale, transfer or disposition or conversion);

"Consolidated Income Tax Expense" means, for any Measurement Period, the aggregate of all Taxes (including deferred Taxes) based on income of the Reporting Companies and their Subsidiaries for such period, determined on a combined, consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, in respect of the Reporting Companies and their Subsidiaries, for any Measurement Period, the sum of, without duplication, (i) all items properly classified as interest expense in accordance with GAAP, and (ii) the imputed interest component of any element of Consolidated Debt (such as leases) which would not be classified as interest expense pursuant to (i) all as determined at such time on a combined, consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, for any Measurement Period, the net income (loss) of the Reporting Companies and their Subsidiaries for such period determined on a

combined, consolidated basis in accordance with GAAP; provided, however, that (i) the net income or loss of any other Person in which any Reporting Company or one of its Subsidiaries has a joint interest with a third party (which interest does not cause the net income of such other Person to be consolidated into the net income of the Reporting Companies and their Subsidiaries) shall be included only to the extent of the amount of dividends or distributions paid to the Reporting Companies and their Subsidiaries and (ii) the net income of any Reporting Company or one of its Subsidiaries that is subject to any restriction or limitation on the payment of dividends or the making of other distributions shall be excluded to the extent of such restriction or limitation.

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

“**Convertible Debt**” means Debt which by its terms or on the occurrence of any contingency is convertible into Equity Securities of Holdings.

“**Debenture**” has the meaning specified in Section 2.11(2).

“**Debt**” of any Person means, at any time, and without duplication, (i) all indebtedness of such Person for borrowed money including bankers’ acceptances and obligations of such Person under letters of credit or letters of guarantee; (ii) all indebtedness of such Person for the deferred purchase price of property or services represented by a note or other evidence of indebtedness; (iii) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person; (iv) all obligations of another Person secured by an Encumbrance on any properties or assets of such Person; (v) all Capital Lease Obligations and Purchase Money Debt of such Person; (vi) the aggregate amount at which any shares in the capital of such Person which are redeemable or retractable at the option of the holder may be retracted or redeemed for cash or Debt, provided such shares are by their terms redeemable or retractable prior to the Maturity Date or all conditions precedent for such retraction or redemption have been satisfied; (vii) all other obligations of such Person upon which interest charges are customarily paid by such Person; (viii) the net amount of all obligations of such Person (determined on a marked to market basis) under Hedging Agreements; (ix) all Synthetic Debt of such Person; and (ix) all Debt Guaranteed by such Person, provided that “Debt” shall not include: (i) trade payables, accrued expenses and intercompany liabilities arising in the ordinary course of business; (ii) purchase price holdbacks to satisfy unperformed obligations of the seller in connection with any Permitted Acquisition; or (iii) earn-out or other contingent deferred obligations (including, employee retention payments) in respect of any Permitted Acquisition (but not, for greater certainty, non-contingent deferred purchase price payments thereunder), in the case of clauses (ii) and (iii) of this proviso, unless and until the same becomes a liability on the balance sheet of the Borrower or any of its Subsidiaries in accordance with GAAP.

“Debt Guaranteed” by any Person means the maximum amount outstanding at the relevant time of all Debt which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which such Person has otherwise assured a creditor or other Person against loss; provided that in circumstances in which less than such amount has been guaranteed by such Person, only the guaranteed amount shall be taken into account in determining such Person’s Debt Guaranteed.

“Default” means any event or condition that, with the giving of any notice, passage of time, or both, would constitute an Event of Default.

“Default Interest” has the meaning specified in Section 3.03(3)(i).

“Discharge of EDC Obligations” means:

- (a) payment in full of the principal of, reimbursement obligations with respect to, and interest, fees, and expenses with respect to (including interest, fees, and expenses accruing (or which would, absent the commencement of an Insolvency or Liquidation Proceeding, accrue) on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, or expenses would be allowed in such Insolvency or Liquidation Proceeding), all indebtedness and obligations, absolute or contingent, matured or unmatured, including, without limitation, all indemnity obligations (other than indemnity obligations under the EDC Documents which survive the payment in full or cash collateralization of the EDC Agreements if the amount of such indemnity obligations are not able to be reasonably ascertained at the time of such payment in full or cash collateralization) outstanding under, secured pursuant to, or guaranteed pursuant to, the EDC Documents and constituting EDC Obligations;
- (b) payment in full of all other EDC Obligations, that are due and payable or otherwise accrued and owing at or prior to the time such principal, reimbursement obligations, fees, expenses and interest are paid; and
- (c) termination or expiration of all guarantees and commitments of EDC under all EDC Agreements or such EDC Agreements being cash collateralized.

“Discharge of First Lien Obligations” means:

- (a) payment in full of the principal of, reimbursement obligations with respect to, and interest, fees, and expenses with respect to (including interest, fees, and expenses accruing (or which would, absent the commencement of an Insolvency or Liquidation Proceeding, accrue) on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, or expenses would be allowed in such Insolvency or Liquidation Proceeding), all indebtedness outstanding under, secured pursuant to, or guaranteed pursuant to, the First Lien Loan Documents and constituting First Lien Obligations;

- (b) payment in full of all other First Lien Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal, reimbursement obligations, fees, expenses and interest are paid;
- (c) termination or expiration of all commitments, if any, to extend credit that would constitute First Lien Obligations; and
- (d) termination of all Documentary Credits issued under the First Lien Loan Documents and constituting First Lien Obligations to the extent that such Documentary Credits are not cash collateralized or subject to a standby letter of credit on terms satisfactory to the Documentary Credit Issuer (as such term is defined in the First Lien Credit Agreement).

“Disposed EBITDA” shall mean, with respect to any Sold Entity or Business for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business (determined as if references to the Reporting Companies and their Subsidiaries in the definition of Consolidated EBITDA and Consolidated Net Income were references to such Sold Entity or Business), all as determined on a combined, consolidated basis for such Sold Entity or Business.

“Disposed Entity” means each of 1252144 Alberta Ltd., Allen-Vanguard (Ireland) Limited, Allen-Vanguard Technologies Inc., Med-Eng Technologies, PW Allen Holdings Limited, PW Allen (India) Private Ltd, and Vanguard Protective Technologies Inc.

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

“Disqualified Stock” shall mean any equity interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is three hundred sixty six (366) days following the Maturity Date, (b) is convertible into or exchangeable for (i) debt securities or (ii) any equity interest referred to in (a) above, in each case at any time on or prior to the date that is three hundred sixty six (366) days following the Maturity Date, or (c) is entitled to receive a dividend or distribution (other than for taxes attributable to the operations of the business) prior to the time that the Obligations are paid in full, or (d) has the benefit of any covenants or agreements that restrict the payment of any of the Obligations or that are EBITDA or debt-multiple based (i.e. financial covenants).

“Domestic Guarantee” means the guarantee of each Guarantor (other than a Foreign Guarantor) set forth in Article 22 hereof and any additional guarantee of a Guarantor (other than a Foreign Guarantor) in respect of the obligations of the Borrower under the

Second Lien Credit Documents; provided, that any Domestic Guarantee shall be subject to the Intercreditor Agreement.

“Domestic Guarantor” means each Canadian Guarantor, U.S. Guarantor and UK Guarantor.

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

“EDC” means Export Development Canada.

“EDC Agreements” means any performance security guarantees and/or other forms of guarantees in respect of Documentary Credits issued under the First Lien Credit Agreement from time to time to Royal Bank of Canada and/or other Documentary Credit Issuers, and for greater certainty includes any performance security guarantee existing as at the date of this Agreement.

“EDC Collateral Documents” means all security agreements and any other documents creating a lien in favour of EDC to secure the obligations under the EDC Agreements, the EDC Indemnity Agreement and each other agreements, documents and instruments providing for or evidencing any other EDC Obligations, and any other agreements, documents or instruments executed and delivered in connection with the grant, attachment and perfection of EDC’s security interests and liens arising thereunder, including, without limitation, UCC financing statements, PPSA Financing Statements, and patent, trademark and copyright filings.

“EDC Documents” means the EDC Agreements, EDC Indemnity Agreement, EDC Collateral Documents and each of the other agreements, documents, and instruments providing for or evidencing any other EDC Obligations, and any other document or instrument executed or delivered at any time in connection with any EDC Obligations, including any intercreditor or joinder agreement among holders of EDC Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed, or extended from time to time in accordance with the provisions of the Intercreditor Agreement.

“EDC Indemnity Agreements” means indemnity agreements between EDC and any or all of the Borrower, Holdings and Holdings’ Subsidiaries entered into in connection with the EDC Agreements, including the indemnity agreement dated as ►, each as amended, restated, supplemented, modified or replaced from time to time.

“EDC Obligations” means all indebtedness and obligations, absolute or contingent, matured or unmatured, outstanding under the EDC Documents, including:

- (a) the principal of all obligations and all reimbursement obligations outstanding under the EDC Agreements, the EDC Indemnity Agreement and any other EDC Document; and
- (b) all interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, at the rate specified in the relevant EDC Document, whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding) on indebtedness outstanding under the EDC Documents;
- (c) all costs, expenses and fees payable under the EDC Documents, without duplication of the payments in clause (a) and (b) above.

“Effective Date” means the date of this Agreement.

“Eligible Assignee” means any Person (other than a natural person or any Loan Party), in respect of which any consent that is required by Section 16.01 has been obtained; provided that in no event shall an Eligible Assignee be a Specified Lender unless an Event of Default has occurred which is continuing.

“Eligible Hedging Agreements” means one or more Hedging Agreements between any Loan Party and any other Person (such person, a **“Hedge Lender”**) entered into to protect against fluctuations in interest rates or foreign currency exchange rates in the ordinary course of business.

“Embargoed Person” has the meaning specified in Section 7.02(31).

“Encumbrance” means any hypothec, mortgage, pledge, security interest, encumbrance, lien, charge or any other arrangement (including a deposit arrangement) or condition that in substance secures payment or performance of an obligation of any Loan Party and includes the interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement.

“Environmental Laws” means all Applicable Laws relating to the environment, occupational health and safety matters or conditions relating to Hazardous Substances, Hazardous Substances, pollution or protection of the environment, including Applicable Laws relating to (i) on-site or off-site contamination; (ii) Releases of Hazardous Substances into the environment; and (iii) the manufacture, processing, distribution, use, treatment, storage, transport or handling of Hazardous Substances, the clean-up or other remediation thereof, and including, without limitation, the Canadian Environmental Protection Act, 1999, the Fisheries Act, Transportation of Dangerous Goods Act, 1992, the Migratory Birds Protection Act, 1994, the Species at Risk Act, the Hazardous Products Act, the Canada Shipping Act, the Canada Wildlife Act, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Toxic Substances Control Act, the Clean Water Act, the Oil Pollution Act of 1990, the Safe Drinking Water Act, the National Environmental Policy Act of 1969, the Solid Waste Disposal Act and the Clean Air Act, and any analogous provincial, state, municipal or local statutes.

“Environmental Liabilities” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties, orders or indemnities), of Holdings or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of, or responsibility under, any Environmental Law, (b) Holdings or any of its Subsidiaries’ generation, use, handling, collection, treatment, storage, transportation, recovery, recycling or disposal of any Hazardous Substances, (c) exposure to any Hazardous Substances, (d) the presence, Release or threatened Release of any Hazardous Substances into the environment, or (e) any contract, agreement or other arrangement or operation of Applicable Law pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permits” includes all permits, certificates, approvals, registrations, authorizations and licences issued by any Governmental Authority to any of the Loan Parties or to the Business pursuant to Environmental Laws and required for the operation of the Business or the use of the Leased Real Properties, any owned real properties or other Assets of any of the Loan Parties.

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

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

“ERISA Group” shall mean, at any time, the Loan Parties and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any of the Loan Parties, are treated as a single employer under Section 414 of the Internal Revenue Code.

“Escrow Funds” means (i) the indemnification escrow fund in the principal amount of \$40,000,000, which is being held pursuant to an Escrow Agreement dated September 17, 2007 between the Borrower, the Offeree Shareholders (as defined in such Escrow Agreement), Med-Eng Systems Inc. and Computershare Trust Company of Canada as security for any claims for indemnification made by the Borrower in respect of the MES Acquisition; and (ii) the remainder of the escrow fund in the original principal amount of \$19,000,000, which is being held pursuant to an Escrow Agreement dated September 17, 2007 as amended between the Borrower, Paul Timmis, Med-Eng Systems Inc. and Computershare Trust Company of Canada, in respect of the retention bonus of Paul Timmis as arranged in the MES Acquisition.

“Euros” or “€” means the single currency of the participating members of the European Union.

“Event of Default” has the meaning specified in Section 8.01(1).

“Excess Cash Flow” means, for any period,

- (a) the sum, without duplication, of:
 - (i) Consolidated EBITDA; plus
 - (ii) the aggregate amount of all extraordinary cash gains excluded in arriving at Consolidated EBITDA; plus
 - (iii) the aggregate amount of consolidated interest income received in cash for such period; plus
 - (iv) the aggregate amount of consolidated income tax refunds received in cash for such period; plus
 - (v) the aggregate amount of all cash received from asset sales excluded in arriving at Consolidated EBITDA; less
- (b) the sum, without duplication, of:
 - (i) the aggregate amount of all extraordinary charges paid in cash included in arriving at Consolidated EBITDA; plus
 - (ii) the aggregate amount of Consolidated Interest Expense paid in cash for such period; plus
 - (iii) the aggregate amount of Consolidated Income Tax Expense paid in cash for such period; plus
 - (iv) Restructuring Costs paid in cash and included in arriving at Consolidated EBITDA pursuant to clause (a)(vi) of the definition thereof; plus
 - (v) the aggregate amount of all fees and expenses paid in cash and included in arriving at Consolidated EBITDA pursuant to clause (a)(xi) of the definition thereof; plus
 - (vi) the aggregate amount of all principal payments of Debt of the Reporting Companies and their Subsidiaries permitted by this Agreement (including the principal component of payments in respect of Capital Lease Obligations permitted by this Agreement but excluding payments of revolving credit advances (to the extent there is not an equivalent permanent reduction in the revolving credit commitments thereunder) and swingline advances) made during such period, except to the extent

- financed with the proceeds of Debt of the Reporting Companies or their Subsidiaries, plus
- (vii) the aggregate amount of actual and unspent Capital Expenditures (whether budgeted or spent) of the Reporting Companies and their Subsidiaries during such period, plus
 - (viii) the aggregate amount actually paid in cash by the Reporting Companies and their Subsidiaries during such period to reduce long-term liabilities of the Reporting Companies and their Subsidiaries other than Debt, plus
 - (ix) the amount of dividends permitted pursuant to Section 7.02(31) and paid during such period to the extent such dividends were financed with internally generated cash flow of the Reporting Companies and their Subsidiaries, plus
 - (x) the aggregate amount of expenditures actually made by the Reporting Companies and their Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period, plus
 - (xi) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash to an arm's length third party by the Reporting Companies and their Subsidiaries during such period that are required to be made in connection with any prepayment of Debt, plus
 - (xii) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by the Reporting Companies or any of their Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period relating to Investments (including Permitted Acquisitions) to be consummated or made during the period of four consecutive Financial Quarters of the Reporting Companies and their Subsidiaries 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 during such period of four consecutive Financial 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 Financial Quarters, plus
 - (xiii) the aggregate amount actually paid in cash to consummate a Permitted Acquisition to the extent not financed with the proceeds of long-term Debt or other proceeds from a financing transaction permitted or consented to hereunder; plus
 - (xiv) the aggregate amount actually paid in cash to fund Investments permitted by clauses (f), (i), (n) and (p) of Section 7.02(11); plus

- (xv) the amount of cash paid, in such period from Escrow Funds to the extent included in determining Consolidated EBITDA for such period; plus
 - (xvi) the amount of cash Net Proceeds from any Disposition of Assets pursuant to clauses (c) and (g) of the definition of Permitted Dispositions to the extent included in determining Consolidated EBITDA for such period; plus
 - (xvii) the amount of cash Net Proceeds of any insurance policy required to be maintained pursuant to Article 7 (other than business interruption insurance) received by any Loan Party or any of its Subsidiaries on account of each separate loss, damage or injury to any part of the Collateral to the extent included in determining Consolidated EBITDA for such period; plus
 - (xviii) the amount of cash Net Proceeds received by Holdings or any of its Subsidiaries pursuant to the issuance of Equity Securities to the extent included in determining Consolidated EBITDA for such period; plus
 - (xix) the amount of cash Net Proceeds received by Holdings or any of its Subsidiaries pursuant to the issuance of Debt to the extent included in determining Consolidated EBITDA for such period.
- (c) minus increases in working capital for such period (i.e., the increase, if any, in current assets (excluding cash) minus current liabilities from the beginning to the end of such period) or plus decreases in working capital for such period (i.e., the decrease, if any, in current assets (excluding cash) minus current liabilities from the beginning to the end of such period), excluding changes in working capital resulting from any Permitted Acquisition or Permitted Disposition hereunder.

“Excess Cash Flow Certificate” means a certificate signed by a Responsible Officer in the form attached hereto as Schedule 6.

“Excess EBITDA” means, for any Financial Quarter, an amount equal to (x) the Borrower’s Consolidated EBITDA for the twelve month period ending such Financial Quarter, minus the sum of (y) (i) the amount set forth opposite such Financial Quarter in Section 7.03(1)(a), plus (ii) Cdn. \$10,000,000; provided, that if such calculation results in a negative number, “Excess EBITDA” shall mean an amount equal to Cdn. \$0.00.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Subsidiary” means (i) any Immaterial Subsidiary; and (ii) any other Subsidiary of Holdings to the extent that the entering into of a Guarantee in respect of the Term Loan Facility would give rise to material adverse tax consequences or would be prohibited by Applicable Law; provided that, if the Excluded Subsidiaries represent, in the aggregate, more than 5% of Consolidated EBITDA for the most recently completed four Financial Quarter period, the Borrower shall be obligated to designate one or more Subsidiaries that would otherwise qualify as Excluded Subsidiaries as Material

Subsidiaries in order to comply with the terms of this proviso; provided further that any such Subsidiary shall cease to be an Excluded Subsidiary and shall be deemed to have been designated as a Material Subsidiary to the extent that it owns greater than 5% of the Consolidated Assets of Holdings and its Subsidiaries.

“Excluded Taxes” means, 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 a Loan Party hereunder or under any Second Lien Credit Document, (a) taxes imposed on or measured by its net income or capital, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or resident or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, and (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 9.03(2) or a Foreign Lender that becomes a party hereto during the continuance of an Event of Default) any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto on or after the Effective Date (or designates a new lending office, unless so designated at the request of the Borrower).

“Executive Order” has the meaning specified in Section 6.01(28)(b)(i).

“Federal Funds Rate” means for any day, the rate per annum (expressed as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) 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 (i) 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 (ii) 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 charged to the Administrative Agent, in its capacity as a Lender, on such day on such transactions as determined by Administrative Agent.

“Fees” means the fees payable by the Borrower under this Agreement or under any other Second Lien Credit Document.

“Financial Officer” means the chief financial officer, vice-president finance or vice-president treasury services of the Borrower.

“Financial Quarter” means, in respect of any Loan Party, a period of approximately three consecutive months in each Financial Year ending on December 31, March 31, June 30 and September 30, as the case may be, of such year.

“Financial Year” means, in respect of any Loan Party, its financial year commencing on or about October 1 of each calendar year and ending on September 30 of the following calendar year, as may be changed to a financial year commencing on January 1 of each

calendar year and ending on December 31 of such calendar year, if such change is made as of either December 31, 2009 or December 31, 2010.

“First Lien Administrative Agent” means Royal Bank of Canada, in its capacity as administrative agent under the First Lien Credit Agreement, including its successors and assigns from time to time.

“First Lien Cap Amount” means, as of any date of determination, (X) the sum of (a) \$146,974,639.36, plus (b) any interest, fees, attorneys fees, costs, expenses and indemnities payable on account of the principal amount under the First Lien Credit Agreement and the First Lien Loan Documents or in respect thereof, minus (c) the aggregate amount of all principal payments and prepayments of the Term Loan Facility (as defined in the First Lien Credit Agreement), the Revolving Credit Facility to the extent there is an equivalent permanent reduction in the Revolver Commitment thereunder (as such terms are defined in the First Lien Credit Agreement), and the Documentary Credit Facility to the extent there is an equivalent permanent reduction in the Documentary Credit Commitment thereunder (as such terms are defined in the First Lien Credit Agreement) made from and after the date hereof, multiplied by (Y) one hundred ten percent (110%).

“First Lien Credit Agreement” means that certain Credit Agreement by and among Borrower, Holdings, certain of Holdings’ Subsidiaries, the First Lien Administrative Agent, and certain lenders thereto, dated as of the date hereof (as amended, restated, supplemented, modified, replaced or refinanced from time to time).

“First Lien Loan Documents” means the First Lien Credit Agreement and the other Credit Documents (as defined in the First Lien Credit Agreement), including Hedging Agreements entered into with a Lender Counterparty (as defined in the First Lien Credit Agreement), and each of the other agreements, documents, and instruments providing for or evidencing any other First Lien Obligations, and any other document or instrument executed or delivered at any time in connection with any First Lien Obligations, including any intercreditor or joinder agreement among holders of First Lien Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed, or extended from time to time in accordance with the provisions of the Intercreditor Agreement.

“First Lien Obligations” means all obligations outstanding under the First Lien Credit Agreement and the other First Lien Loan Documents, including:

- (a) the principal of all loans outstanding under the First Lien Loan Documents;
- (b) all interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, at the rate specified in the relevant First Lien Loan Document, whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding) on indebtedness outstanding under the First Lien Loan Documents;

- (c) all costs and expenses set forth in Section 15.01 of the First Lien Credit Agreement, without duplication of the payments in clause (a) and (b) above;
- (d) all fees outstanding under the First Lien Loan Documents; and
- (e) all Hedging Agreements entered into with any Lender Counterparty (as defined in the First Lien Credit Agreement);

provided, however, that no obligations which are in excess of the First Lien Cap Amount (unless such excess has been approved by the Second Lien Lenders) shall be included in First Lien Obligations.

“Foreign Guarantee” means a guarantee of any Foreign Guarantor, which guarantee shall contain substantially the terms set forth in Article 22 hereof with such adjustments as may be reasonably necessary in order to comply with the requirements of Applicable Law in the jurisdiction in which such Foreign Guarantor is organized and/or existing, such adjustments to be in form and substance reasonably satisfactory to the Administrative Agent; provided, that any Foreign Guarantee shall be subject to the Intercreditor Agreement.

“Foreign Guarantor” means any Subsidiary of Holdings (other than an Excluded Subsidiary) that is not a Canadian Guarantor, U.S. Guarantor, UK Guarantor or Ireland Guarantor, and which in the determination of the Administrative Agent should become a party to a Foreign Guarantee, in each case in its capacity as a guarantor under a Foreign Guarantee.

“Foreign Lender” means, with respect to any payments under any Second Lien Credit Document, at any time any Lender that is not resident in the same jurisdiction as the person making such payment under the relevant Second Lien Credit Document for income tax or withholding tax purposes in the relevant jurisdiction at that time and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Second Lien Credit Document to be resident for income tax or withholding tax purposes in the relevant jurisdiction.

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

“GAAP” means accounting principles generally accepted in Canada applied on a consistent basis; provided, however, that, in the event of any change in GAAP from those applied in the preparation of the financial statements of the Borrower and its Subsidiaries’ most recently delivered on or prior to the Effective Date that would affect the computation of any financial covenant, ratio, accounting definition or requirement set forth in this Agreement or any other Second Lien Credit Document, if the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Majority Lenders and the Borrower shall negotiate in good faith, each acting reasonably, to amend such financial covenant or requirement to preserve the original intent thereof in light of such change in GAAP; provided, further, that, until so amended as provided in the preceding

proviso, (a) such ratio or requirement shall continue to be computed in accordance with GAAP without regard to such change therein, and (b) the Loan Parties shall furnish to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement, setting forth a reconciliation between calculations of such financial covenant or requirement made before and after giving effect to such change in GAAP.

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

“Guarantee” means the guarantee of each Guarantor set forth in Article 22 hereof and any additional guarantee of a Guarantor in respect of the obligations of the Borrower under the Second Lien Credit Documents; provided, that any Guarantee shall be subject to the Intercreditor Agreement.

“Guaranteed Obligations” has the meaning specified in Section 22.01.

“Guarantor” means Holdings, each Foreign Guarantor and each Domestic Guarantor.

“Hazardous Substance” means any liquid, gas, solid, odor, heat, sound, vibration or radiation, alone or in any combination, which is defined, regulated or controlled under any applicable Environmental Laws, including substances which are defined as toxic, a hazardous waste, a hazardous substance, a hazardous material, a pollutant, a deleterious substance, a contaminant or a pollutant, including petroleum or any derivative thereof or toxic mold or regulated radioactive material.

“Hedge Lender” has the meaning specified in the definition of **“Eligible Hedging Agreements”** herein.

“Hedging Agreements” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments to current or former directors, officers, employees or consultants (in their capacities as such) of Holdings or any of its Subsidiaries shall be a Hedging Agreement.

“Holdings” means Contego AV Investments, LLC, a Delaware limited liability company.

“Immaterial Subsidiary” means any Subsidiary of Holdings that (i) represents less than, as at the end of the most recently completed Financial Quarter, 5% of Consolidated Assets of Holdings and its Subsidiaries, (ii) together with all other Excluded Subsidiaries, represents less than 5% of Consolidated EBITDA of Holdings and its Subsidiaries, for the most recently completed four Financial Quarter period, and (iii) owns no real property in respect of which Security would be required to be delivered pursuant to Section 2.11(2) and is not the lessee of any Material Leased Real Property.

“Impermissible Qualification” means, relative to (i) the financial statements or notes thereto of any Person; or (ii) the opinion or report of any independent auditors as to any financial statement or notes thereto, any qualification or exception to such financial statements, notes, opinion or report, as the case may be, which (a) is of a “going concern” or similar nature (other than with respect to the Borrower and its Subsidiaries for their audited financial statements for Financial Year 2009); or (b) relates to any limited scope of examination of material matters relevant to such financial statement, if such limitation results from the refusal or failure of such Person to grant access to necessary information therefore within the power of such Person to so grant.

“Increasing Lender” has the meaning specified in Section 2.13(3).

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning specified in Section 16.01(2).

“Initial Contribution” has the meaning specified in Section 23.01.

“Insolvency Legislation” means the U.S. Bankruptcy Code, the *Bankruptcy and Insolvency Act* (Canada), and the *Companies’ Creditors Arrangements Act* (Canada), each as amended, modified, succeeded or replaced from time to time, or any other law (whether foreign or otherwise) relating to bankruptcy, insolvency, liquidation, receivership, winding up, reorganization, arrangement, adjustment, composition or relief of debtors and any similar statute or law in any jurisdiction.

“Insolvency or Liquidation Proceeding” means:

- (a) any voluntary or involuntary case or proceeding under any Insolvency Legislation with respect to any Loan Party;
- (b) any other voluntary or involuntary insolvency, reorganization, or bankruptcy case or proceeding, or any receivership, liquidation, reorganization, or other similar case or proceeding with respect to any Loan Party or with respect to a material portion of its assets;
- (c) any liquidation, dissolution, reorganization, or winding up of any Loan Party whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or

- (d) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of any Loan Party.

“Insufficiency” means, with respect to any U.S. Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; and (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs.

“Intercompany Equity Securities” means all Equity Securities issued by any Loan Party to another Loan Party or any Subsidiary of a Loan Party to a Loan Party.

“Intercompany Notes” means all promissory notes or other instruments issued by or evidencing an obligation of (i) any Loan Party to another Loan Party or a Subsidiary of a Loan Party, or (ii) any Subsidiary of a Loan Party to a Loan Party.

“Intercreditor Agreement” means that certain Intercreditor Agreement by and among the Borrower, EDC, the Administrative Agent, and the First Lien Administrative Agent.

“Interest Payment Date” means (i) with respect to any U.S. Base Rate Advance, March 31, June 30, September 30 and December 31 of each year, commencing on the first such date to occur after the Effective Date, and (ii) with respect to any LIBOR Advance, the last day of each Interest Period applicable to such Advance, *provided* that in the case of each Interest Period of longer than three months, “Interest Payment Date” shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

“Interest Period” has the meaning specified in Section 3.03.

“Interest Rate Determination Date” means, with respect to any Interest Period, two Business Days prior to the first day of such Interest Period.

“Inventory” has the meaning given to such term in the UCC, PPSA or such other Applicable Law.

“Investment Credit” means the amount of any dividends, distributions, returns of capital, repayments of loans or similar payments paid to any Loan Party during the term of this Agreement by any Person in which Investments may be made under Section 7.02(11).

“Investments” means, as applied to any Person (the **“investor”**), any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person, including any exchange of Equity Securities for Debt, or any direct or indirect loan, advance (other than advances to directors, officers and employees for moving and travel, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by the investor to any other Person, including all Debt owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor’s business, or any direct or indirect purchase or other acquisition of bonds, notes, debentures or other Debt securities of, any other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment minus any amounts (a) realized upon the disposition of assets comprising an Investment (including the value of any liabilities assumed by any Person other than Holdings or any of its Subsidiaries in connection with such disposition), (b) constituting repayments of Investments that are loans or advances or (c) constituting cash returns of principal or capital thereon (including any dividend, redemption or repurchase of equity that is accounted for, in accordance with GAAP, as a return of principal or capital).

“Leased Real Property” means, collectively, the land and premises leased by the Loan Parties from time to time, as lessee, together with the Buildings and Fixtures thereon.

“Lender Counterparty” shall have the meaning set forth in the definition of “Secured Parties” herein.

“Lenders” means, collectively, the financial institutions and other Persons set forth on the signature pages hereof as Lenders, and any assignee thereof pursuant to the provisions of this Agreement upon such assignee executing and delivering an Assignment and Assumption referred to in Section 16.01(2)(f) to the Borrower and the Administrative Agent, or any other Person which becomes a Lender party to this Agreement, and in the singular any one of such Lenders.

“LIBOR” means for any Interest Period with respect to any LIBOR Advance:

(i) the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate that appears on the Reuters Screen LIBOR 01 page (or any successor thereto) that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(ii) if the rate referenced in the preceding subsection (i) does not appear on such page or service or such page or service shall cease to be available, the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(iii) if the rates referenced in the preceding subsections (i) and (ii) are not available, the rate per annum determined by the Administrative Agent as the rate of interest (rounded upward to the next 1/100th of 1%) at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBOR Advance being made, continued or converted by the Administrative Agent and with a term equivalent to such interest Period would be offered by the Administrative Agent's London Branch to major banks in the offshore Dollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period.

"LIBOR Advances" means Advances bearing interest at rates determined by reference to LIBOR.

"Licensed Intellectual Property" means all Intellectual Property used by a Loan Party but owned by another Person other than another Loan Party and which is material to the operation of such Loan Party's business.

"Loan Parties" means, collectively, Holdings, the Borrower and the Guarantors (but, for the avoidance of doubt does not include any Excluded Subsidiary (other than any Excluded Subsidiary that has been designated (or is deemed to have been designated) as a Material Subsidiary by the Borrower)) and **"Loan Party"** means any one of them.

"Loss" means any loss whatsoever, whether direct or indirect, including expenses, costs, damages, judgments, penalties, fines, charges, claims, demands, liabilities and any and all legal fees and disbursements, except any such loss representing loss of profit.

"LuxCo" means Contego AV Luxembourg Sarl.

"Majority Lenders" means, at any time, Lenders whose Accommodations Outstanding at such time, taken together, are greater than 50% of the aggregate amount of the Accommodations Outstanding at such time.

"Material Acquisition" means any Acquisition consented to by the Lenders which involves consideration in excess of US \$5,000,000.

"Material Adverse Effect" means a material adverse effect on: (i) the business, operations, financial condition, liabilities (contingent or otherwise) or properties of Holdings and its Subsidiaries, taken as a whole; (ii) the ability of the Loan Parties, taken as a whole, to perform their obligations under the Second Lien Credit Documents; or

(iii) the rights or remedies of the Administrative Agent and the Lenders under the Second Lien Credit Documents.

“Material Agreements” means (i) the Technology License and Supply Agreement or such other comparable contract with comparable commercial terms which has replaced the Technology License and Supply Agreement, and (ii) any other agreement of any of the Loan Parties the breach, non-performance or cancellation of which or the non-renewal, termination, revocation or lapse of which could reasonably be expected to have a Material Adverse Effect.

“Material Disposition” means any Disposition or series of related Dispositions consented to by the Lenders that involves Assets having a fair value, or consideration received for such Assets, in excess of US \$5,000,000.

“Material Leased Real Property” means (i) the Leased Real Property of the Loan Parties at (a) 421 Upper Valley Drive, Pembroke, Ontario; (b) 2400 St. Laurent, Ottawa, Ontario; (c) Units 85-87 Shrivenham Hundred Business Park Major Road, Watchfield, Oxon; (d) Units 100 A&B, 700, 800 Ashchurch Business Centre, Tewkesbury, Gloucestershire; and (e) 837 Commerce Park Drive, Ogdensburg, New York; (ii) any other Leased Real Property from time to time at which material manufacturing operations of the Loan Parties are conducted, and (iii) and any other Leased Real Property constituting Inventory storage locations at which Collateral having a value of greater than US \$1,000,000 is stored from time to time (which Inventory storage locations, as of the Effective Date, are indicated as such on Schedule E).

“Material Permits” means the Authorizations, the breach, non-performance, cancellation or non-availability of which or failure of which to renew could reasonably be expected to have a Material Adverse Effect.

“Material Subsidiary” means any Subsidiary of Holdings other than an Excluded Subsidiary (but including any Subsidiary that has been designated as a Material Subsidiary as provided in the definition of “Excluded Subsidiary”).

“Maturity Date” means the date that is the 42 month anniversary of the Effective Date.

“Measurement Period” means, as of any date of determination and except as otherwise expressly provided, the 12-month period ending at the end of the month ended immediately preceding the date of determination.

“MES Acquisition” means the acquisition by the Borrower of all the Equity Securities of Med-Eng Systems Inc. (as a result of a name change, now Allen-Vanguard Technologies Inc.) pursuant to a share purchase agreement dated August 3, 2007.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiple Employer Plan” shall mean a U.S. Plan which has two (2) or more contributing sponsors (including the Loan Parties, any Loan Party or any member of the

ERISA Group) at least two of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

“Net Proceeds” means any one or more of the following: (i) with respect to any Disposition of Assets by any Loan Party, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note, receivable, other non-cash consideration or otherwise, but only as and when such cash is so received) in connection with such Disposition, less the sum of (A) the principal amount of any Debt (other than Debt under the Second Lien Credit Documents) that is secured by such asset and that is required to be repaid in connection with such Disposition of Assets, (B) the reasonable fees (including, without limitation, reasonable legal fees), commissions and other out-of-pocket expenses (as evidenced by supporting documentation provided to the Administrative Agent upon request) and (C) Taxes incurred, paid or payable for or by any Loan Party in connection with such Disposition, (ii) with respect to the issuance or creation of Debt or Equity Securities, whether private or public, of any Loan Party, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred advance or installment but only as and when such cash is so received) in connection with such creation or issuance, less the reasonable fees (including without limitation, reasonable legal fees, investment banking fees, accounting fees, consulting fees and placement fees), commissions, printing costs and other out-of-pocket expenses (as evidenced by supporting documentation provided to the Administrative Agent upon request) incurred, paid or payable by any Loan Party in connection with such creation or issuance; (iii) with respect to the receipt of proceeds under any insurance policy (other than business interruption insurance), the net amount equal to the aggregate amount received in cash in connection with such receipt of insurance proceeds, less the reasonable fees (including without limitation reasonable legal fees), costs, deductibles and other out-of-pocket expenses (as evidenced by supporting documentation provided to the Administrative Agent upon request) incurred, paid for or payable by any Loan Party or any of its Subsidiaries in connection with the claim under the insurance policy giving rise to such proceeds; and (iv) with respect to the receipt of any Escrow Funds, the amount received in cash less a reserve amount for applicable taxes and any reasonable fees (including without limitation reasonable legal fees), costs, deductibles and other out-of-pocket expenses (as evidenced by supporting documentation provided to the Administrative Agent upon request) incurred, paid for or payable by any Loan Party or any of its Subsidiaries in connection with collecting such Escrow Funds.

“Net Working Capital” for any period means an amount equal to (x) the sum of the Reporting Companies and their Subsidiaries’ (i) Accounts Receivable, (ii) Inventory, for any period (iii) cash and cash equivalents, net of outstanding cheques, excluding restricted cash, and (iv) undrawn availability under the Revolving Credit Facility (as defined in the First Lien Credit Agreement), less (y)(i) accounts payable and accrued liabilities due in less than one year (other than current maturity of long-term Debt), and (ii) current deferred revenue, in each case calculated on a combined, consolidated basis in accordance with GAAP.

“New Lender” has the meaning specified in Section 2.13(3).

“**Non-Consenting Lender**” has the meaning specified in Section 17.01.

“**Notice of Conversion/Continuation**” means a notice substantially in the form of Schedule 9 hereto delivered to the Administrative Agent with respect to a proposed conversion or continuation of the applicable basis for determining the interest rate with respect to the Advances specified therein.

“**OFAC**” has the meaning specified in Section 6.01(27)(b)(v).

“**Original Currency**” has the meaning specified in Section 17.02(1).

“**Other Currency**” has the meaning specified in Section 17.02(1).

“**Other Taxes**” means all present or future stamp or documentary taxes or any other excise intangible, mortgage, recording, property or similar taxes, charges or similar levies arising from any payment made hereunder or under any other Second Lien Credit Document or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Agreement or any other Second Lien Credit Document.

“**Owned Intellectual Property**” means all Intellectual Property created, owned or developed in whole or in part as of the Effective Date by or on behalf of a Loan Party and which is used in and material to the operation of such Loan Party’s business.

“**Participant**” has the meaning assigned to such term in Section 16.01(4).

“**PBGC**” shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

“**Permitted Acquisition**” means any Acquisition by a Loan Party, provided that:

- (a) the purchase price for such Acquisition, (including any notes issued by the seller of the subject of such Acquisition and any Debt assumed or acquired by Holdings or its Subsidiaries in connection therewith) shall not exceed (i) US \$5,000,000 individually and (ii) US \$25,000,000 in the aggregate for all such Acquisitions following the Effective Date until the Maturity Date, unless otherwise consented to by the Majority Lenders;
- (b) immediately before and immediately after giving effect to such Acquisition on a *pro forma basis*, no Default or Event of Default shall have occurred and be continuing;
- (c) in the case of a Material Acquisition, the Borrower shall have demonstrated to the satisfaction of the Administrative Agent that after giving effect to such Acquisition, it will be in compliance with the financial covenants set forth in Section 7.03 as at the date of such Acquisition, and at all relevant times during the period of twelve months thereafter (calculated on a *pro forma basis* and based on the historical or projected, as applicable, performance of such Acquisition for such twelve month period);

- (d) in the case of a Material Acquisition, the Borrower shall have provided audited financial statements of the subject of such Acquisition for the previous three years to the extent available, and financial projections, on a quarterly basis, for the succeeding year, and on an annual basis for the year thereafter (or such later period as the Administrative Agent may reasonably request);
- (e) the Administrative Agent will have a security interest over the assets to be acquired (other than Equity Securities of a Person that will, upon consummation of such Acquisition, be an Excluded Subsidiary), subject only to Permitted Encumbrances (and if such Acquisition is an Acquisition of Equity Securities of any Person (other than a Person that will, upon consummation of such Acquisition be an Excluded Subsidiary), a guarantee and other Second Lien Security Documents from such Person in accordance with Section 2.11(4));
- (f) the board of directors of such acquired Person or its selling shareholders in existence at the time such purchase or acquisition is commenced shall have approved such Acquisition;
- (g) if such Acquisition is an Acquisition of Equity Securities of any Person, not less than 100% of the Equity Securities of such Person are acquired; and
- (h) such Acquisition is of a Person carrying on a business which (i) is substantially similar to the Business or related to the Business (or, if an Asset Acquisition, is of Assets used or useful in a business which is substantially similar as or related to the Business) and (ii) is carried on in countries such that the covenant in Section 7.02(25) will be complied with after giving effect to the Acquisition.

“Permitted Debt” means:

- (a) Debt hereunder or under any other Second Lien Credit Document;
- (b) Debt outstanding on the Effective Date under the First Lien Credit Agreement and such additional Debt as may be issued from time to time pursuant to the terms thereof; provided, that at no time shall the principal amount of such Debt exceed an amount equal to the First Lien Cap Amount without the consent of the Administrative Agent;
- (c) Debt existing on the Effective Date and set forth in Schedule H;
- (d) intercompany Debt among the Loan Parties permitted by Section 7.02(11)(b) which Debt shall, if owing to a Loan Party, be pledged to the Administrative Agent under the applicable Second Lien Security Agreement;
- (e) Capital Lease Obligations and Purchase Money Debt not to exceed in aggregate at any one time outstanding US \$5,000,000 (or the equivalent thereof in any other currency);

- (f) unsecured Debt, including letters of credit, owing by Holdings or any of its Subsidiaries (which, may be guaranteed on an unsecured basis by a Borrower or any of its Subsidiaries) under bank operating lines in an aggregate amount not to exceed US \$5,000,000 (or the equivalent thereof in any other currency) at any time;
- (g) any obligation in respect of judgments that do not result in an Event of Default under Section 8.01(i);
- (h) Debt consisting of the financing of insurance premiums incurred in the ordinary course of business;
- (i) guarantees (i) by the Borrower or any Subsidiary of Holdings of any Debt of the Borrower or any Guarantor expressly permitted to be incurred under this Agreement, and (ii) by the Borrower or any Subsidiary of Holdings of Debt of any Subsidiary that is not a Loan Party to the extent such guarantees are permitted by Section 7.02(11);
- (j) contingent obligations under or in respect of surety bonds, appeal bonds, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business in connection with bids, projects, leases and similar commercial contracts, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;
- (k) Debt incurred by Holdings or any of its Subsidiaries constituting reimbursement obligations with respect to letters of credit or surety bonds issued in the ordinary course of business, including letters of credit in respect of workers' compensation claims, or other Debt with respect to reimbursement type obligations regarding workers' compensation claims and including, without limitation, reimbursement or indemnification obligations owing to EDC in respect of performance security guarantees or financial security guarantees; provided that, upon the drawing of such letters of credit or incurrence of such Debt, such obligations are reimbursed within 30 days following such drawing or incurrence;
- (l) Debt in respect of any bankers' acceptance, bank guarantee, letter of credit, warehouse receipt or similar facility entered into in the ordinary course of business (including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Debt with respect to reimbursement-type obligations regarding workers compensation claims);
- (m) Debt arising from earnouts, other contingent deferred payments (including, employee retention payments), indemnity obligations or purchase price holdbacks or similar obligations in connection with Permitted Acquisitions;
- (n) Debt of any business acquired by or otherwise assumed by a Loan Party pursuant to a Permitted Acquisition existing at the time of the closing of the Permitted

Acquisition and not incurred in connection therewith which, if incurred by a Loan Party would constitute Permitted Debt;

- (o) Debt, limited to the maximum of \$2,500,000 without the consent of the Administrative Agent, representing deferred compensation to employees of Holdings or its Subsidiaries incurred in the ordinary course of business;
- (p) Debt, limited to the maximum of \$5,000,000 without the consent of the Administrative Agent, consisting of promissory notes issued by Holdings or its Subsidiaries to current or former officers, managers, consultants, directors and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Equity Securities of Holdings or its Subsidiaries;
- (q) Convertible Debt, provided, it is on customary market terms and fully subordinated to the Guaranteed Obligations on terms satisfactory to the Administrative Agent in its sole discretion;
- (r) Debt in respect of Eligible Hedging Agreements and Treasury Services Agreements;
- (s) guarantees of a Loan Party of leases or of other obligations that do not constitute Debt, in each case entered into in the ordinary course of business;
- (t) Refinancing Debt incurred in respect of any of the foregoing;
- (u) Debt, limited to the maximum of \$2,500,000 without the consent of the Administrative Agent, in respect of netting services, overdraft protections and otherwise in connection with deposit accounts in the ordinary course of business; and
- (v) Other unsecured Debt in an amount not to exceed US \$1,000,000 at any time.

“Permitted Dispositions” means

- (a) any Disposition of Assets between Loan Parties;
- (b) Dispositions of Inventory in the ordinary course of business;
- (c) Dispositions of Assets which are obsolete, redundant or of no material economic value;
- (d) a transaction permitted by Section 7.02(3);
- (e) the sale or liquidation of Permitted Investments in the ordinary course of business;

- (f) Dispositions of machinery or equipment simultaneously with the trade-in or replacement of such machinery or equipment used or useful in the ordinary course of business;
- (g) so long as no Default or Event of Default has occurred and is continuing, Disposition of Assets (other than Equity Securities of any Subsidiary unless 100% of such Equity Securities are so Disposed of) in each Financial Year to a Person that is not a Loan Party of not more than a gross principal amount of US \$2,500,000 in the aggregate for all such Dispositions in such Financial Year, provided that (w) each such Disposition of Assets is made for fair market value (as determined in good faith by the Borrower), (x) each such Disposition of Assets results in consideration at least 75% of which (taking into account the amount of cash, the principal amount of any promissory notes received as consideration and the principal amount of any Debt assumed in connection therewith) shall be in the form of cash, (y) in the case of each Material Disposition, calculations are made by the Borrower to demonstrate to the satisfaction of the Administrative Agent *pro forma* compliance with the financial covenants in Section 7.03 after giving effect to such Disposition; and (z) the Net Proceeds, if any, thereof are applied in accordance with this Agreement;
- (h) Dispositions of any or all or any portion of the Equity Securities of any Disposed Entity, whether pursuant to voluntary liquidation or otherwise;
- (i) any Disposition by any Subsidiary of Holdings that is not a Guarantor of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or a Guarantor.

“Permitted Encumbrances” means, with respect to any Person, the following:

- (a) Encumbrances for Taxes, rates, assessments or other governmental charges or levies or for employment insurance, pension obligations or other social security obligations, workers’ compensation or vacation pay, the payment of which is not yet due, or for which installments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person if, in the case of such items being contested, adequate reserves have been maintained in accordance with GAAP;
- (b) undetermined or inchoate Encumbrances, rights of distress and charges incidental to current operations which have not at such time been filed or exercised, or which relate to obligations not due or payable or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (c) (i) reservations, limitations, provisos and conditions expressed in any original grant from any Governmental Authority or (ii) other grant of real or immovable property, or interests therein, which, in the case of this clause (ii), do not

materially and adversely affect the use of the affected land for the purpose for which it is used by that Person;

- (d) licences, permits, reservations, covenants, servitudes, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licenses, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) and zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, regional, state, municipal and other governmental authorities that were incurred in the ordinary course of business and were not incurred in connection with and do not secure Debt and do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) easements, rights of way, title defects, encroachments or irregularities which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) the Encumbrances resulting from the deposit or pledge of cash or securities in connection with contracts, tenders, bids, leases, government contracts, supply agreement utilities or expropriation proceedings, or to secure workers' compensation, unemployment insurance, and other social security obligations and performance bonds and other similar obligations incurred in the ordinary course of business;
- (h) the Encumbrances resulting from surety or appeal bonds, costs of litigation when required by Applicable Law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers', landlords' and other similar liens and public, statutory and other like obligations incurred in the ordinary course of business;
- (i) Encumbrances, including from the deposit of cash, given to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of that Person in the ordinary course of its business;
- (j) the Encumbrances created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default under Section 8.01(i);

- (k) operating leases of vehicles or equipment which are entered into in the ordinary course of the Business;
- (l) Encumbrances securing Purchase Money Debt and Capital Lease Obligations permitted hereunder (but only to the extent such Encumbrances encumber the Assets subject to such Purchase Money Debt or Capital Lease Obligation);
- (m) the Encumbrances created by this Agreement and the Second Lien Security Documents; provided, that such Encumbrances are subject to the terms of the Intercreditor Agreement;
- (n) Encumbrances arising out of conditional sale, title retention, consignment or similar arrangements for Inventory entered into by the Borrower or any of its Subsidiaries in the ordinary course of business and consistent with past practices;
- (o) Encumbrances arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set off or similar rights;
- (p) Encumbrances solely on any cash earnest money deposit made by the Borrower or any Subsidiary of Holdings in connection with any Permitted Acquisition;
- (q) Encumbrances on the assets of non-Loan Parties in favour of the Borrower or any Guarantor;
- (r) subdivision agreements, site plan control agreements, development agreements, facilities sharing agreements, cost sharing agreements and other similar agreements which do not materially impair the use of the real property subject thereto for the purpose for which it is used by that Person;
- (s) the rights of any tenant, occupant or licensee under any lease, occupancy agreement or licence which do not materially impair the use of the real property subject thereto for the purpose for which it is used by that Person;
- (t) the Encumbrances existing on the Effective Date and set forth in Schedule I;
- (u) Encumbrances or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; provided, however, that such Encumbrances or covenants do not materially and adversely affect the use of the lands encumbered thereby for its intended purposes by Holdings and its Subsidiaries;
- (v) Encumbrances arising from the right of distress enjoyed by landlords outside of the Province of Quebec to secure the payment and performance of arrears of rent in respect of leased properties in such provinces or an Encumbrance granted by the Borrower or a Subsidiary of Holdings to a landlord to secure the payment and performance of obligations in respect of leased properties in the Province of Quebec leased from such landlord, provided that such Encumbrances are limited to the assets located at or about such leased properties;

- (w) any and all Encumbrances or title defects in respect of real property that do not secure Debt and do not in any material respect affect the use of the property encumbered thereby for its intended purposes and do not interfere with the ordinary conduct of business of a Loan Party or a Subsidiary of a Loan Party and that may be insured against pursuant to one or more title insurance policies available from locally recognized title insurance companies;
- (x) Encumbrances in favour of customs and revenue authorities arising as a matter of Applicable Law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (y) other Encumbrances expressly consented to in writing by the Majority Lenders;
- (z) Encumbrances existing on the assets of any Person at the time such Person becomes a Loan Party or merges with a Loan Party (where the survivor thereof is a Loan Party), or existing on Equity Securities and/or assets acquired, in each case pursuant to a Permitted Acquisition or other Investment permitted hereunder to the extent the Encumbrances on such Equity Securities and/or assets secure Debt or other obligations permitted by this Agreement, provided that such Encumbrances (i) attach at all times only to the same Equity Securities and/or assets that such Encumbrances (other than after acquired property that is affixed or incorporated into the property covered by such Encumbrance or financed by Permitted Debt and proceeds and products thereof) attached to, and secure only the same Permitted Debt or obligations (or any modifications, refinancings, extensions, renewals, refundings or replacements of such Permitted Debt) that such Encumbrances secured, immediately prior to such Permitted Acquisition or such other Investment, as applicable, and (ii) such Permitted Debt secured by such Encumbrance existed prior to such Permitted Acquisition or such other Investment, as applicable, and was not incurred (and such Encumbrance not created) in contemplation thereof;
- (aa) Encumbrances in favour of the financier of insurance premiums pursuant to clause (g) of the definition of Permitted Debt, to the extent that such Encumbrances are limited to the entitlement of the applicable Loan Party to a refund or reimbursement of any insurance premium so financed (and the proceeds thereof);
- (bb) bankers' liens, rights of setoff and similar liens existing solely with respect to cash and Permitted Investments on deposit in one or more accounts maintained by a Borrower or any Subsidiary of Holdings, in each case granted in the ordinary course of business in favour of the bank or banks which such accounts are maintained, securing amounts owing to such bank with respect to cash management or other account arrangements, including those involving pooled accounts and netting arrangements, provided that in no case shall any such Encumbrances secure (either directly or indirectly) the repayment of any Debt;